

NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

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State Controller

LEGISLATIVE OVERVIEW
for
JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

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NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

LEGISLATIVE OVERVIEW

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NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

Statutory Authority

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 1024
HOUSE BILL 2136

AN ACT TO ESTABLISH THE OFFICE OF THE STATE CONTROLLER.

The General Assembly of North Carolina enacts

Section 1. Article 9 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 28. Office of the State Controller.

"§ 143B-426.35. Definitions.—As used in this Part, unless the context clearly indicates otherwise:

- (1) 'Accounting system' means the total structure of records and procedures which discover, record, classify, and report information on the financial position and operating results of a governmental unit or any of its funds, balanced account groups, and organizational components.
- (2) 'Office' means the Office of the State Controller.
- (3) 'State agency' means any State agency as defined in G.S. 147-64.4(b)(2).
- (4) 'State funds' means any moneys appropriated by the General Assembly, or moneys collected by or for the State, or any agency of the State, pursuant to the authority granted in any State laws.

"§ 143B-426.36. Office of the State Controller; creation.— There is created the Office of the State Controller. This office shall be located administratively within the Department of Administration but shall exercise all of its prescribed statutory powers independently of the Secretary of Administration.

"§ 143B-426.37. State Controller.—(a) The Office of the State Controller shall be headed by the State Controller who shall maintain the State accounting system and shall administer the State disbursing system.

(b) The State Controller shall be a person qualified by education and experience for the office. He shall be appointed by the Governor subject to confirmation by the General Assembly. The term of office of the State Controller shall be for seven years; the first full term shall begin July 1, 1987.

The Governor shall submit the name of the person to be appointed, for confirmation by the General Assembly, to the President of the Senate and the Speaker of the House of Representatives by May 1 of the year in which the State Controller is to be appointed. If the

Governor does not submit the name by that date, the President of the Senate and the Speaker of the House of Representatives shall submit a name to the General Assembly for confirmation.

In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for any other reason in the Office of State Controller prior to the expiration of his term while the General Assembly is in session, the Governor shall submit the name of his successor to the President of the Senate and the Speaker of the House of Representatives within four weeks after the vacancy occurs. If the Governor does not do so, the President of the Senate and the Speaker of the House of Representatives shall submit a name to the General Assembly for confirmation.

In case of death, incapacity, resignation, removal by the Governor for cause, or vacancy for any other reason in the Office of State Controller prior to the expiration of his term while the General Assembly is not in session, the Governor shall appoint a State Controller to serve on an interim basis pending confirmation by the General Assembly.

Notwithstanding the provisions of this section, the Governor may appoint a State Controller to serve from the effective date of this act until July 1, 1987, or until the 1987 General Assembly disapproves the appointment.

(c) The salary of the State Controller shall be set by the General Assembly in the Budget Appropriations Act.

"§ 143B-426.38. Organization and operation of office.—(a) The State Controller may appoint a Chief Deputy State Controller. The salary of the Chief Deputy State Controller shall be set by the State Controller.

(b) The State Controller may appoint all employees necessary to carry out his powers and duties. These employees shall be subject to the State Personnel Act.

(c) All employees of the office shall be under the supervision, direction, and control of the State Controller. Except as otherwise provided by this Part, the State Controller may assign any function vested in him or his office to any subordinate officer or employee of the office.

(d) The State Controller may, subject to the provisions of G.S. 147-64.7(b)(2), obtain the services of independent public accountants, qualified management consultants, and other professional persons or experts to carry out his powers and duties.

(e) The State Controller shall have legal custody of all books, papers, documents, and other records of the office.

(f) The State Controller shall be responsible for the preparation of and the presentation of the office budget request, including all funds requested and all receipts expected for all elements of the budget.

(g) The State Controller may adopt regulations for the administration of the office, the conduct of employees of the office, the distribution and performance of business, the performance of the functions assigned to the State Controller and the office of the State Controller, and the custody, use, and preservation of the records, documents, and property pertaining to the business of the office.

"§ 143B-426.39. Powers and duties of the State Controller.— The State Controller shall:

(1) Prescribe, develop, operate, and maintain in accordance with generally accepted principles of governmental accounting, a uniform state accounting system for all state agencies. The system shall be designed to assure compliance with all legal and constitutional requirements including those associated with the receipt and expenditure of, and the accountability for public funds.

(2) On the recommendation of the State Auditor, prescribe and supervise the installation of any changes in the accounting systems of an agency that, in the judgement of the State Controller, are necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful statements and reports. The State Controller shall be responsible for seeing that a new system is designed to accumulate information required for the preparation of budget reports and other financial reports.

(3) Maintain complete, accurate and current financial records that set out all revenues, charges against funds, fund and appropriation balances, interfund transfers, outstanding vouchers, and encumbrances for all State funds and other public funds including trust funds and institutional funds available to, encumbered, or expended by each State agency, in a manner consistent with the uniform State accounting system.

(4) Prescribe the uniform classifications of accounts to be used by all State agencies including receipts, expenditures, assets, liabilities, fund types, organization codes, and purposes. The State Controller shall also, after consultation with the Office of State Budget and Management, prescribe a form for the periodic reporting of financial accounts, transactions, and other matters that is compatible with systems and reports required by the State Controller under this section. Additional records, accounts, and accounting systems may be maintained by agencies when required for reporting to funding sources provided prior approval is obtained from the State Controller.

(5) Prescribe the manner in which disbursements of the State agencies shall be made, in accordance with G.S. 143-3.

(6) Operate a central payroll system, in accordance with G.S. 143-3.2 and 143-34.1.

(7) Keep a record of the appropriations, allotments, expenditures, and revenues of each State agency, in accordance with G.S. 143-20.

(8) Make appropriate reconciliations with the balances and accounts kept by the State Treasurer.

(9) Advise and assist the Director of the Budget with regard to the development and implementation of the State cash management policy, in accordance with G.S. 147- 86.11.

(10) Prepare and submit to the Governor, the State Auditor, the State Treasurer, and the Office of State Budget and Management each month, a report summarizing by State agency and appropriation or other fund source, the results of financial transactions. This report

shall be in the form that will most clearly and accurately set out the current fiscal condition of the State. The State Controller shall also furnish each State agency a report of its transactions by appropriation or other fund source in a form that will clearly and accurately present the fiscal activities and condition of the appropriation or fund source.

(11) Prepare and submit to the Governor, the State Auditor, the State Treasurer, and the Office of State Budget and Management, at the end of each quarter, a report on the financial condition and results of operations of the State entity for the period ended. This report shall clearly and accurately present the condition of all State funds and appropriation balances and shall include comments, recommendations, and concerns regarding the fiscal affairs and condition of the State.

(12) Prepare on or before October 31 of each year, a Comprehensive Annual Financial Report of the preceding fiscal year, in accordance with G.S. 143-20.1.

(13) Perform additional functions and duties assigned to the State Controller, within the scope and context of the Executive Budget Act, Chapter 143, Article 1 of the General Statutes."

Sec. 2. The last paragraph of G.S. 143-3 is amended by deleting "Director of the Budget" each time it appears and substituting "State Controller".

Sec. 3. G.S. 143-3.1 is rewritten to read:

"§ 143-3.1. Transfers of functions.—The functions of preaudit of State agency expenditures, issuance of warrants on the State Treasurer for State agency expenditures, and maintenance of records pertaining to these functions shall be transferred from the Director of the Budget to the Office of the State Controller. All statutory authority, personnel, unexpended balances of appropriations or other funds, books, papers, reports, files and other records of the Office of State Budget and Management pertaining to and used in the performance of these functions shall be transferred to the Office of the State Controller; office machinery and equipment used primarily in the performance of these functions shall also be transferred to the Office of the State Controller. The Governor is authorized to do all things necessary to effect an orderly and efficient transfer.

The functions of accounting systems development, maintenance, and coordination shall be transferred from the Office of the State Auditor to the Office of the State Controller. All statutory authority, personnel, unexpended balances of appropriations or other funds, books, papers, reports, files, software, documentation, and other records of the Auditor's Office pertaining to and used in the performance of these functions shall be transferred to the Office of the State Controller; office machinery, equipment, terminals and the like used primarily in the performance of these functions shall also be transferred to the Office of the State Controller. The State Auditor, with the advice and consent of the Governor, is authorized to do all things necessary to effect an orderly and efficient transfer."

Sec. 4. G.S. 143-3.2 is rewritten to read:

"The State Controller shall have the exclusive responsibility for the issuance of all warrants for the payment of money upon the State Treasurer. All warrants upon the State Treasurer shall be signed by the State Controller, who before issuing them shall determine the legality of payment and the correctness of the accounts.

When the State Controller finds it expedient to do so because of a State agency's size and location, the State Controller may authorize a State agency to make expenditures through a disbursing account with the State Treasurer. The State Controller shall authorize the Judicial Department and the General Assembly to make expenditures through such disbursing accounts. All deposits in these disbursing accounts shall be by the State Controller's warrant. A copy of each voucher making withdrawals from these disbursing accounts and any supporting data required by the State Controller shall be forwarded to the Office of the State Controller monthly or as otherwise required by the State Controller.

A central payroll unit operating under the Office of the State Controller may make deposits and withdrawals directly to and from a disbursing account. The disbursing account shall constitute a revolving fund for servicing payrolls passed through the central payroll unit.

The State Controller may use a facsimile signature machine in affixing his signature to warrants."

Sec. 5. G.S. 143-3.3 is amended by deleting "Director of the Budget" each time it appears and substituting "State Controller".

Sec. 6. The first sentence of G.S. 143-7 is amended by deleting "Director" and substituting "State Controller"; and deleting "him" and substituting "the Director". Sec. 7. The second paragraph of G.S. 143-7 is repealed.

Sec. 8. G.S. 143-8 is amended by deleting "State Disbursing Officer" each time it appears and substituting "State Controller".

Sec. 9. G.S. 143-8 is further amended by deleting "adopted by the Director" each time it appears and substituting "adopted by the State Controller".

Sec. 10. The last sentence of G.S. 143-9 is amended by deleting "The State Auditor" and substituting "The State Auditor and the State Controller".

Sec. 11. The fourth sentence of G.S. 143-11 is amended by deleting "Director" and substituting "State Controller".

Sec. 12. The second paragraph of G.S. 143-11 is amended by redesignating subdivisions (2), (3), and (4) as (a), (b), and (c).

Sec. 13. The second paragraph of G.S. 143-11 is further amended by inserting after subdivision (1) the following:

"(2) State Controller reports including:"

Sec. 14. The second sentence of G.S. 143-17 is amended by deleting "State Auditor who in the course of his audits" and substituting "State Controller who in the course of his operations".

Sec. 15. The first sentence of G.S. 143-19 is amended by deleting "State Disbursing Officer" and substituting "State Controller".

Sec. 16. G.S. 143-20 is amended by deleting "Director" each time it appears and substituting "State Controller".

Sec. 17. The first three sentences of G.S. 143-20.1 are amended by deleting "State Auditor" each time it appears and substituting "State Controller".

Sec. 18. G.S. 143-20.1 is amended by rewriting the fourth sentence to read: "These statements, along with the opinion of the State Auditor, shall be published as the official financial

statements of the State and shall be distributed to the Governor, Office of State Budget and Management, members of the General Assembly, heads of departments, agencies and institutions of the State, and other interested parties."

Sec. 19. The fifth sentence of G.S. 143-20.1 is amended by deleting "State Auditor" and substituting "State Controller".

Sec. 20. The first sentence of G.S. 143-27.2 is amended by deleting "The Director of the Budget, upon written request" and substituting "The State Controller, upon written request".

Sec. 21. The last sentence of G.S. 143-31 is amended by deleting "State Disbursing Officer" each time it appears and substituting "State Controller".

Sec. 22. The first sentence of G.S. 143-34.1 is amended by deleting "State Disbursing Officer" and substituting "State Controller".

Sec. 23. The fifth sentence of G.S. 143-34.1 is amended by deleting "Director of the Budget" and substituting "State Controller".

Sec. 24. The third, fourth, fifth, and sixth sentences of G.S. 147-64.6(c)(10) are repealed and replaced with the following:

"In instances where the Auditor determines that existing systems are outmoded, inefficient, or otherwise inadequate, he shall recommend changes to the State Controller. The State Controller shall prescribe and supervise the installation of such changes, as provided in G.S. 143B-426.39(2)."

Sec. 25. G.S. 147-64.6(11) is rewritten to read:

"(11) The Auditor shall, through appropriate tests, satisfy himself concerning the propriety of the data presented in the Comprehensive Annual Financial Report and shall express the appropriate auditor's opinion in accordance with generally accepted auditing standards."

Sec. 26. G.S. 147-86.11 is amended by inserting after the language "State Treasurer" the language ", State Controller,".

Sec. 27. This act shall become effective August 1, 1986.

In the General Assembly read three times and ratified, this the 15th day of July, 1986.

General Statute 143C-1-3 State Controller shall account for State resources through the use of fund types listed within this subsection.

General Statute 143C-4-2 State Controller has the responsibility to reserve to the Savings Reserve account one fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.

General Statute 143C-4-3 State Controller shall reserve to the Repairs and Renovations Reserve Account one fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.

General Statute 143C-6-3 State Controller has the responsibility to check for and control agency compliance with allotments approved by the Director of the budget.

General Statute 143C-9-3 (b) State Controller shall transfer all funds in the Health Trust Account to the Health Wellness Trust Fund created in Article 6C of Chapter 147 of the General Statutes.

General Statute 143C-9-3 (c) State Controller shall transfer all funds in the Tobacco Trust Account to the Tobacco Trust Fund created in Article 75 of Chapter 143 of the General Statutes.

General Statute 143B-426.39(7) State Controller has the responsibility for keeping a record of the appropriations, allotments, expenditures, and revenues of each State department, institution, board, commission, officer, or other agency in any manner handling State funds.

General Statute 143B-426.40H Every fiscal year, all State agencies and component units of the State, as defined by generally accepted accounting principles, shall prepare annual financial information on all funds administered by them no later than 60 days after the end of the State's fiscal year then ended in accordance with generally accepted accounting principles as described in authoritative pronouncements and interpreted or prescribed by the State Controller, and in the form and time frame required by the State Controller. The State Controller shall publish guidelines specifying the procedures to implement the necessary records, procedures, and accounting systems to reflect these statements on the proper basis of accounting.

Accordingly, the State Controller shall combine the financial information for the various agencies into a Comprehensive Annual Financial Report for the State of North Carolina in accordance with generally accepted accounting principles. These statements, along with the opinion of the State Auditor, shall be published as the official financial statements of the State and shall be distributed to the Governor, the Office of State Budget and Management, members of the General Assembly, heads of departments, agencies, and institutions of the State, and other interested parties. The State Controller shall notify the Director of the Budget of any State agencies and component units of the State, as defined by generally accepted accounting principles, that have not complied fully with the requirements of this section within the specified time, and the Director of the Budget shall employ whatever means necessary, including the withholding of allotments, to ensure immediate corrective actions.

General Statute 143D-6-8 State Controller shall establish comprehensive standards, policies and procedures to ensure a strong and effective system of internal control within State government. These policies shall be made readily available to all State agencies and the State Controller shall make appropriate education efforts to inform relevant State agency staffs on the standards, policies, procedures, and internal control best practices. The State Controller shall develop policies and procedures to direct agencies in their annual certification of internal controls.

General Statute 147-86.10 and 147-86.11 State Controller has the responsibility for developing and implementing a uniform statewide cash management plan for all State agencies and for monitoring the results of those plans.

General Statute 147-86.20 through 147-86.27 State Controller has the responsibility for establishing a statewide accounts receivable program including the setting of policies and procedures, debtor information requirements, debt setoff collection policies, and reporting requirements. The State Controller shall negotiate a contract with a third party to perform an audit and collection process of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors.

General Statute 163-278.99 State Controller has the responsibility for the disbursement of the North Carolina Public Campaign Financing Fund

Chapter 143D.
The State Governmental Accountability and Internal Control Act.

Article 1.

General Provisions.

§ 143D-1. Title.

This Chapter shall be known and may be cited as the "State Governmental Accountability and Internal Control Act." (2007-520, s. 1.)

§ 143D-2. Purpose.

The purpose of this Chapter is to ensure a strong and effective system of internal control within State government and to clearly indicate responsibilities related to that system of internal control. Therefore, it is the intent of the General Assembly in this Chapter to clearly establish responsibilities related to internal control within State government. (2007-520, s. 1.)

§ 143D-3. Definitions.

The following definitions apply in this Chapter:

- (1) Internal control. – An integral process, effected by an entity's governing body, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives related to the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.
- (2) Principal executive officer. – Executive head of a State agency.
- (3) Principal fiscal officer. – Chief fiscal officer of a State agency.
- (4) State agency. – Any department, institution, board, commission, committee, division, bureau, officer, official, or any other entity for which the State has oversight responsibility, including, but not limited to, any university, mental or specialty hospital, community college, or clerk of court. (2007-520, s. 1.)

§ 143D-4. : Reserved for future codification purposes.

§ 143D-5. : Reserved for future codification purposes.

Article 2.

Internal Control Responsibilities.

§ 143D-6. Standards setting responsibilities.

The State Controller, in consultation with the State Auditor, shall establish comprehensive standards, policies, and procedures to ensure a strong and effective system of internal control within State government. These standards, policies, and procedures shall be made readily available to all State agencies, and the State Controller shall make appropriate education efforts to inform relevant State agency staffs of the standards, policies, procedures, and internal control best practices. These efforts shall include the development of training courses, manuals, and other information sources to promulgate internal control standards, policies, procedures, and best practices throughout all State agencies. (2007-520, s. 1.)

§ 143D-7. Agency management responsibilities.

The management of each State agency bears full responsibility for establishing and maintaining a proper system of internal control within that agency. Each principal executive officer and each principal fiscal officer shall annually certify, in a manner prescribed by the State Controller, that the agency has in place a proper system of internal control. The State Controller shall develop policies and procedures to direct agencies in their evaluation.

The management of each State agency also bears the responsibility periodically to submit accurate and complete financial information to the State Controller for compilation into North Carolina State government's various financial reports and other related financial information disseminated to the public. With the submission of such periodic reports to the State Controller, each agency's principal executive officer and each agency's principal fiscal officer shall certify, in a manner prescribed by the State Controller, to the accuracy and completeness of the financial information submitted. (2007-520, s. 1.)

§ 143D-8. Internal control documentation.

Each State agency shall maintain documentation, as prescribed by the State Controller, of the system of internal control within that agency. All internal control documentation shall be available upon request for examination by the State Controller and the State Auditor. (2007-520, s. 1; 2008-187, s. 27.)

§ 143D-9: Reserved for future codification purposes.

§ 143D-10: Reserved for future codification purposes.

Article 3.
Accountability.

§ 143D-11. Violations.

The State Controller, in consultation with the State Auditor, shall establish a mechanism to allow for the reporting and investigation of violations of the provisions of this Chapter. This mechanism shall encourage all State employees to become familiar with the provisions of this Chapter and to report any known violations. (2007-520, s. 1.)

§ 143D-12. Penalties.

A willful or continued failure of an employee paid from State funds or employed by a State agency to adhere to the requirements of this Chapter is sufficient cause for disciplinary action, up to and including dismissal of the employee. (2007-520, s. 1.)

NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

Mission Statement

OSC's mission is to serve as the public's fiscal guardian by promoting accountability and protecting the financial integrity of the State

Goal(s) and Objectives

Create a united organization focused on excellence, which fulfills its responsibilities by maximizing resources and empowering employees to contribute to state government and across the organization.

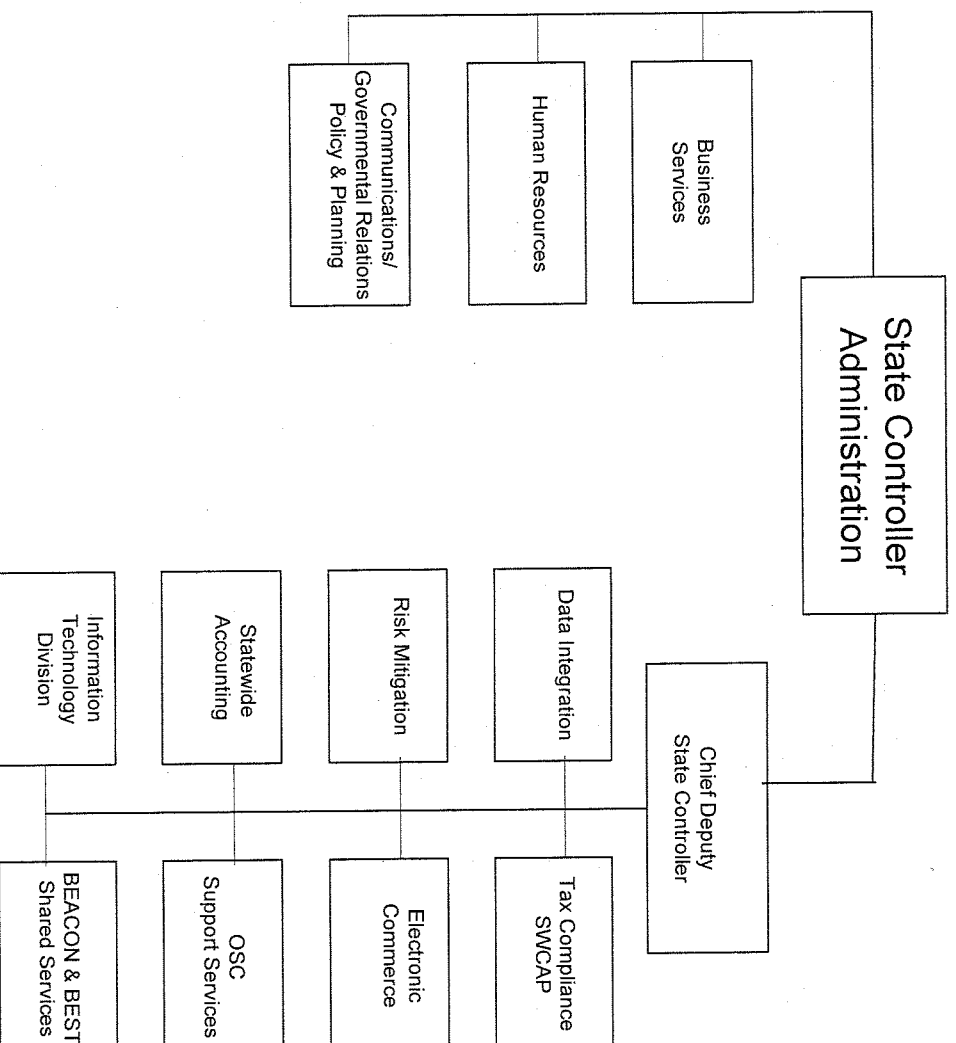
Objectives of this goal include:

- Managing OSC with an effective Management Team;
- Managing the State's finances consistent with state law and best practices;
- Providing effective systems for State Payroll and accounting functions;
- Ensuring that the State follows appropriate accounting procedures;
- Setting staff expectations and preparing staff to adapt to a changing environment by effectively managing and developing OSC's human resources;
- Developing and documenting standardized processes to increase our organizational efficiency and achieve consistent outcomes, while maintaining an awareness of the environmental impact of our agency;
- Promoting effective integrated financial and information systems statewide;
- Integrating information technology functions to improve systems functionality and ensure financial data integrity;
- Maximizing resources on high-risk financial areas;
- Recruiting and retaining quality staff by developing and providing an appealing work environment;
- Determine a strategy for enhancing OSC enterprise-wide systems to fulfill business needs; and
- Maintaining operations in a tough fiscal environment.

Provide excellent customer service and communication through information that is informative and understandable to both internal and external stakeholders.

Objectives of this goal include:

- Develop, revise, and implement procedures to meet customer service objectives;
- Actively market OSC information;
- Respond effectively and efficiently to public requests;
- Improve website ;
- Determine how each employee within every area of OSC can communicate understandable, consistent and timely information that conveys the significance and value of OSC as the State's leader for effective and transparent fiscal operations and policies to internal and external audiences;
- Improve Agency Relationships with Client Agencies. Improved relations with client agencies should result in better coordination of services being provided.; and
- Prepare for Emergencies.

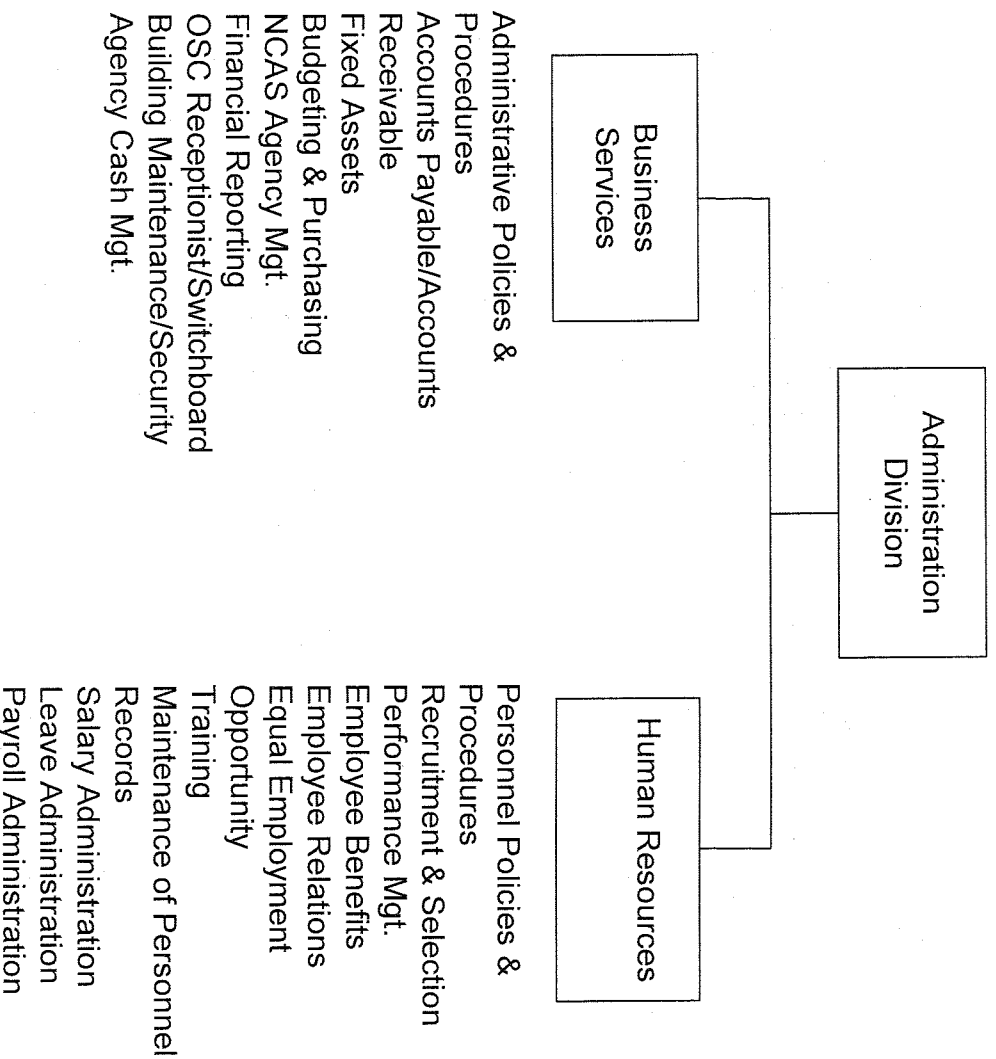


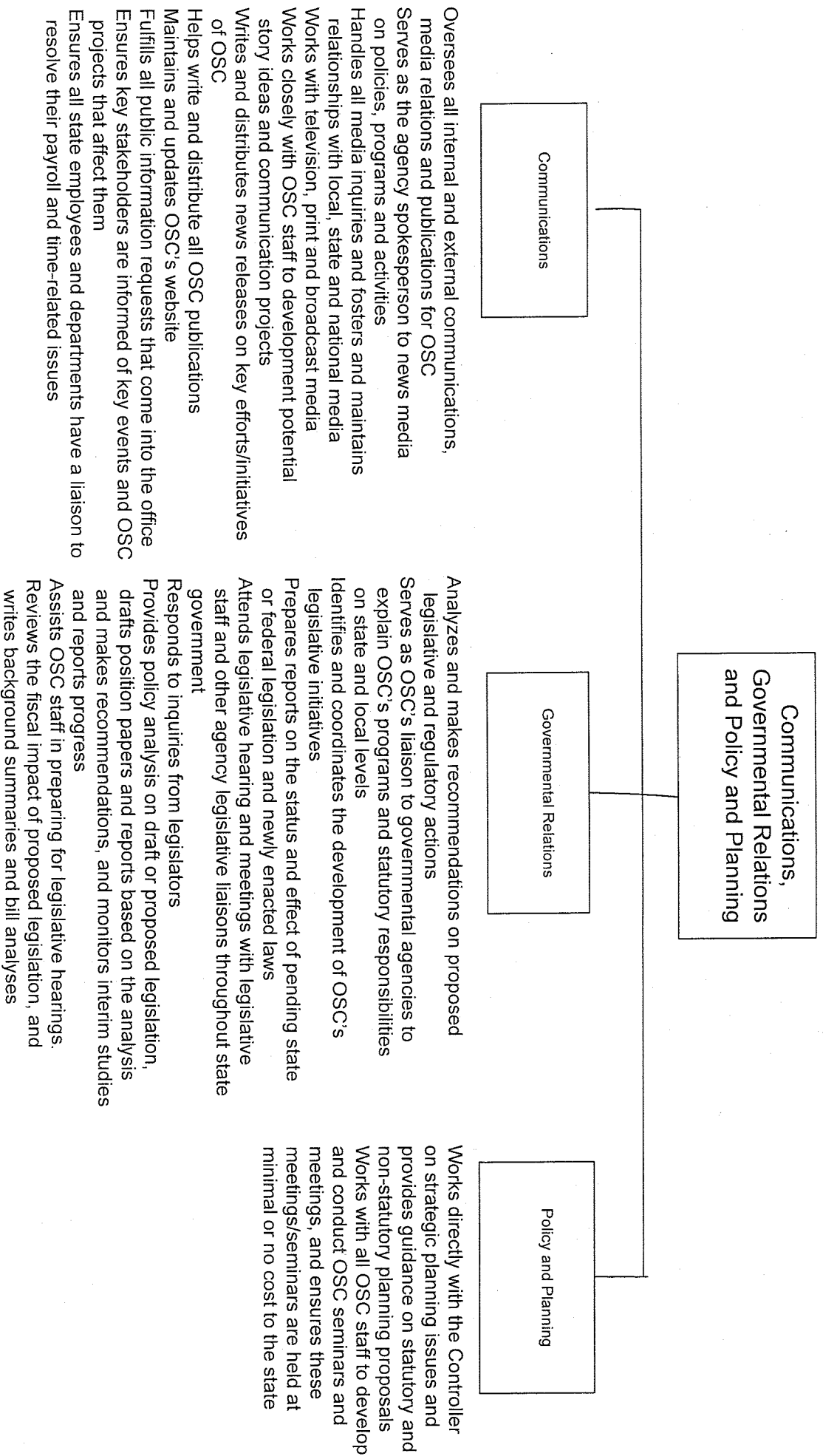
OSC Mission Statement:

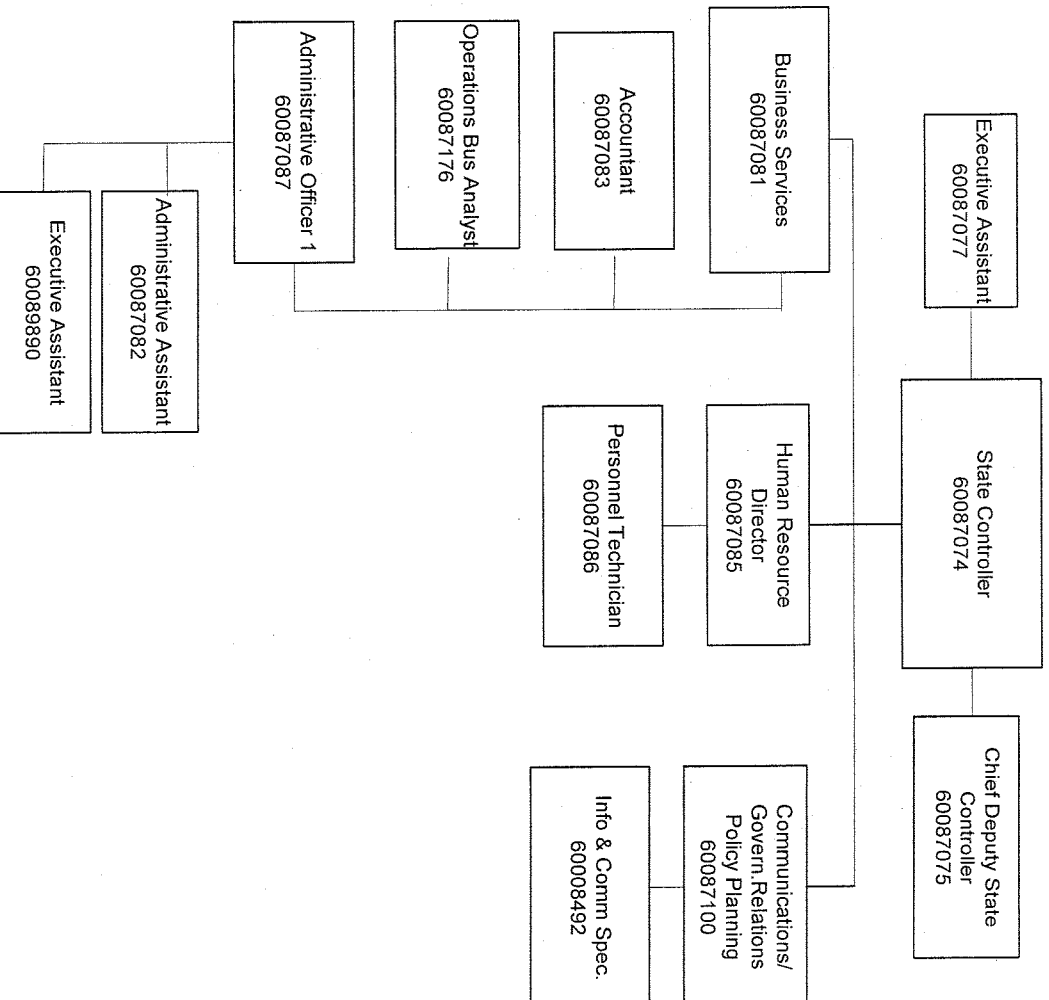
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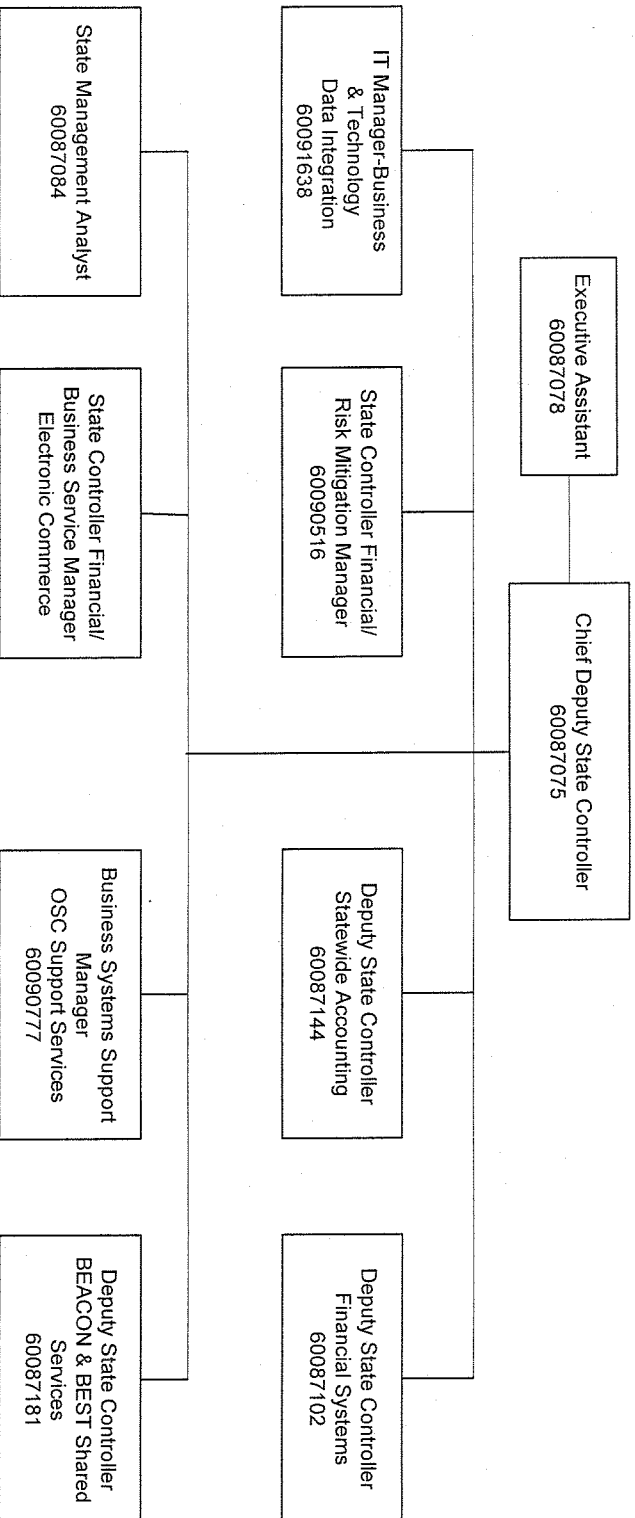


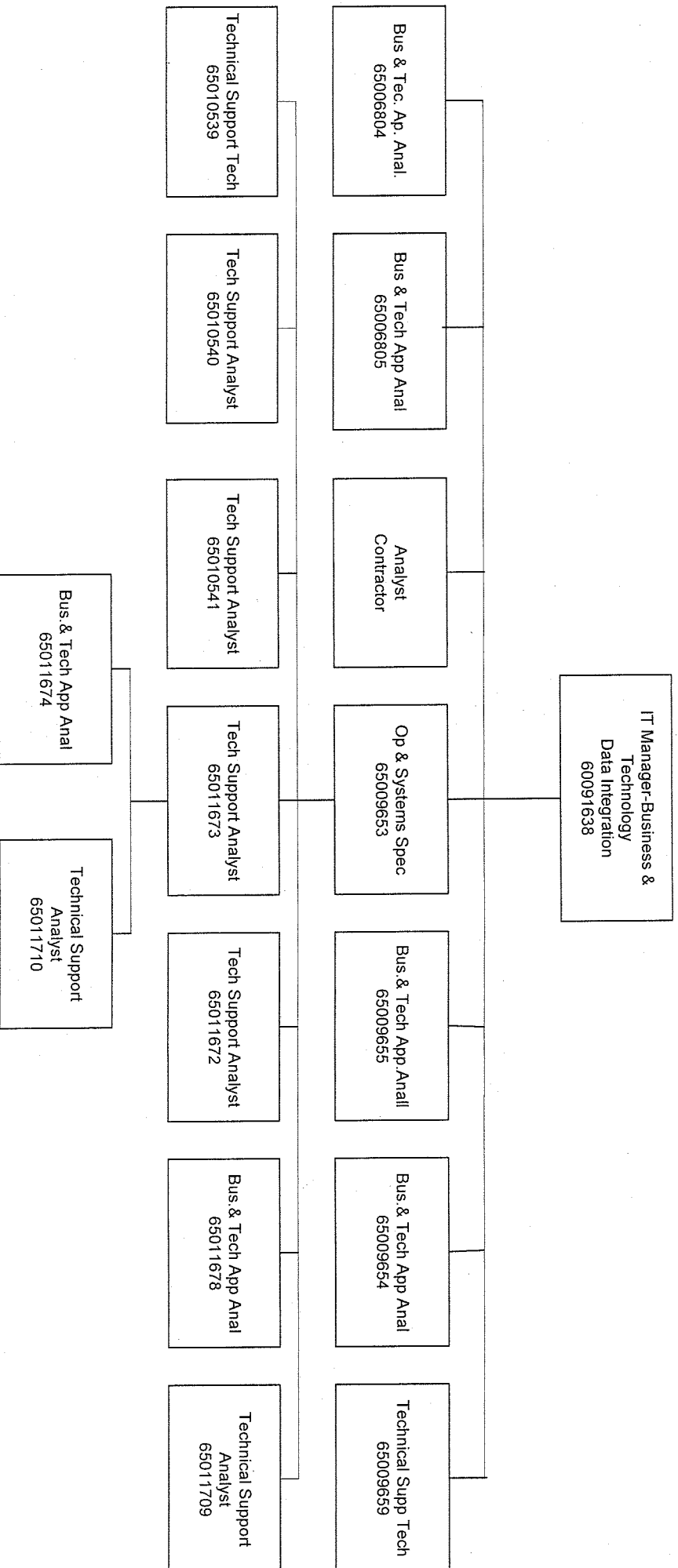
Administration Functions

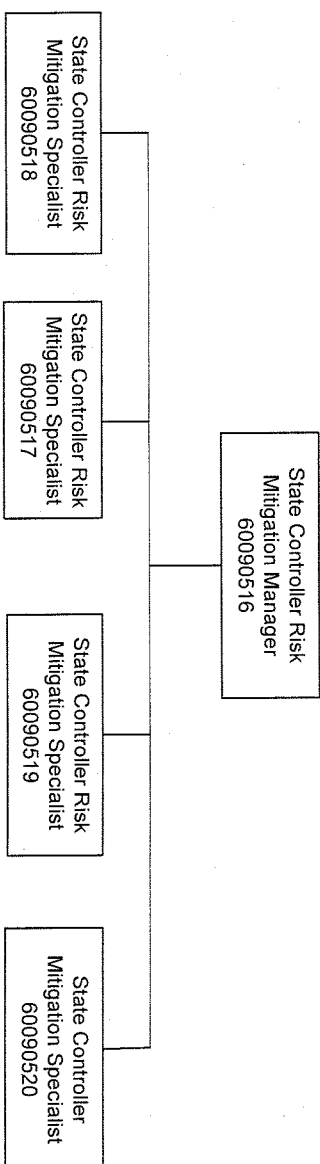












Division Functions:

EAGLE Program (Statewide Internal Control Compliance)
Foreign Nationals Tax Compliance Program
Overpayments Audit Program

Information Security and Privacy Program
Continuity of Operations (COOP)/Business Continuity/
Disaster Recovery/Pandemic Response Planning Program
Internal Audit and Special Reviews/Investigations
State Auditor Liaison

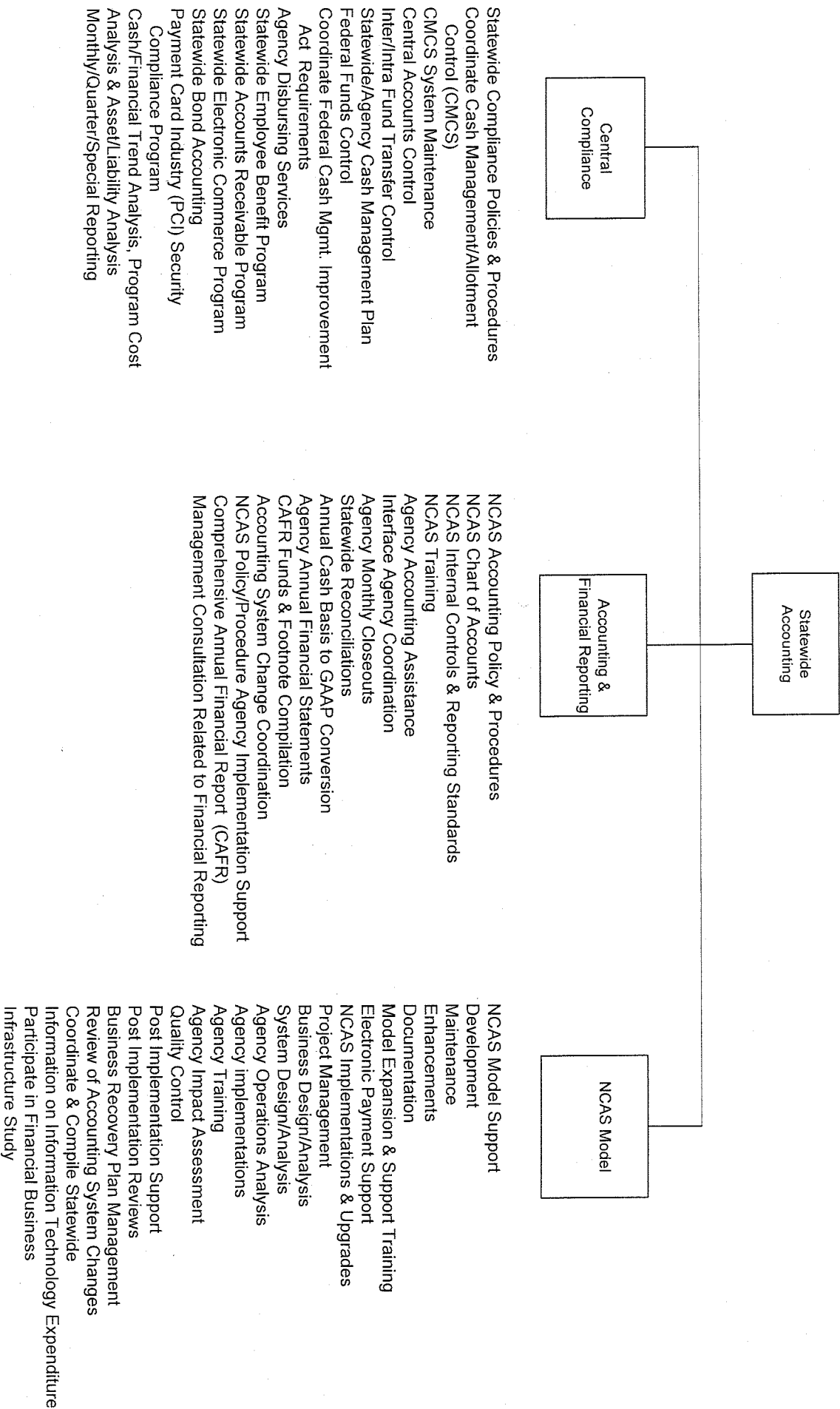
Division Mission Statement:

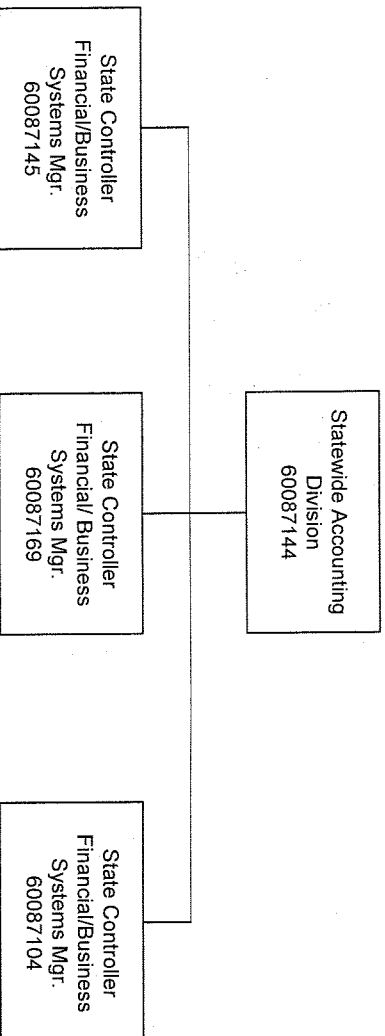
Risk Mitigation Services, through its leadership, consultation and oversight (monitoring), provides services designed to assist all state entities in managing their business risk to an acceptable level. We provide the guidance and support needed to achieve compliance with applicable constitutional, statutory or regulatory responsibilities related to fiscal matters. We accomplish this through educational awareness programs and the use of tools designed to provide a systematic, disciplined approach to assessing compliance and/or evaluating risk.

For the internal operations of the Office of the State Controller, we offer guidance and support to ensure the integrity and continuity of the State's fiscal operations, as well as the integrity and security of the State's critical data resources.



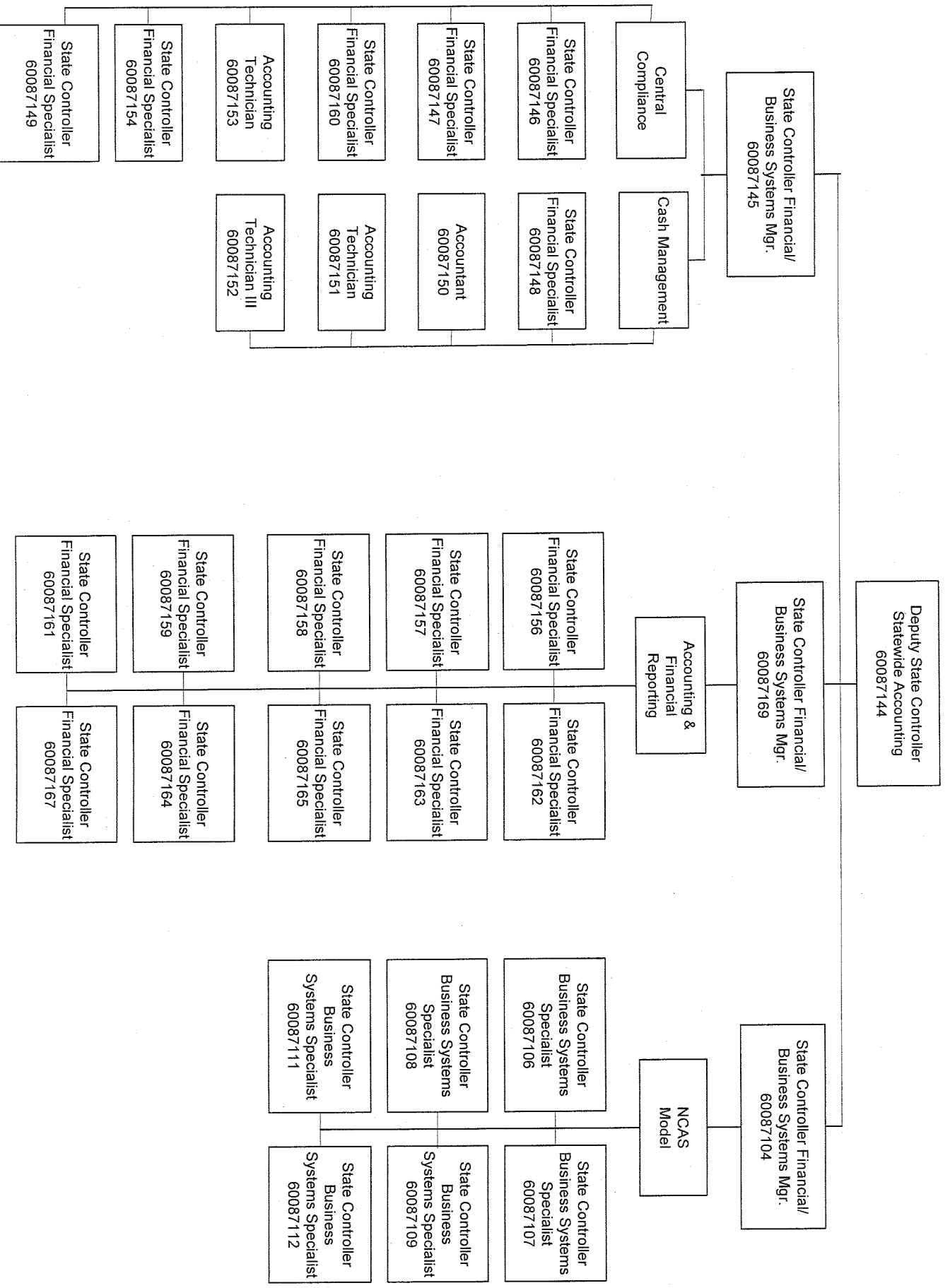
Statewide Accounting
Division Functions





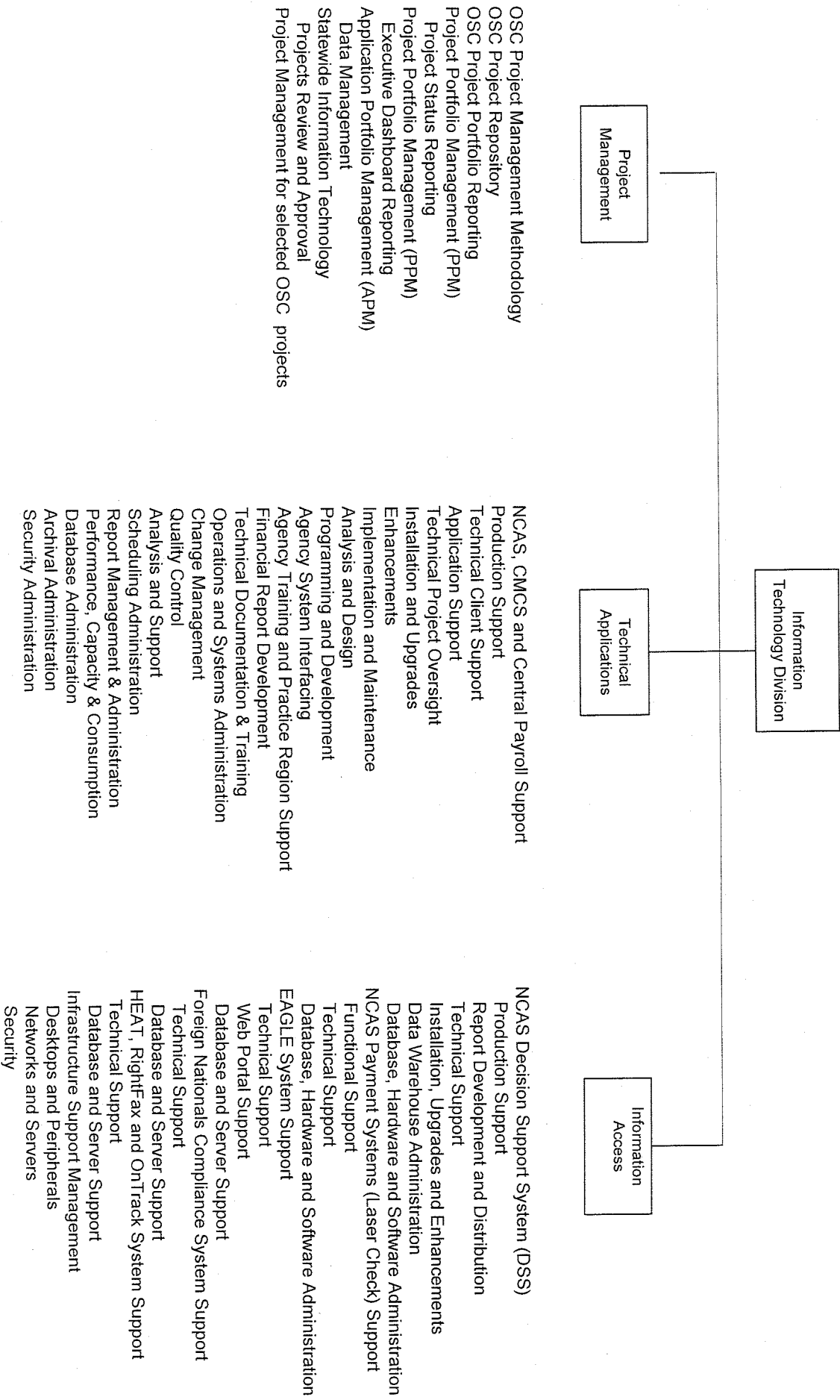
Division Mission Statement:

The Office of the State Controller (OSC) has the responsibility to operate the North Carolina Accounting System (NCAS). The Statewide Accounting Division is responsible for the day-to-day policy and procedural control of agencies operating within the NCAS environment. The division establishes and provides systems control over the NCAS to ensure that all financial transactions are entered, balanced, and reconciled. The division also provides agency implementation, functional systems administration, client support, and maintenance of the NCAS. The division researches technical accounting standards and incorporate these standards into financial reporting on the state entity and provides daily, monthly, quarterly, and annual reporting on the financial condition and results of operations of the state entity. Another major responsibility involves the administration of the statewide cash management program which includes statewide appropriation and allotment control.



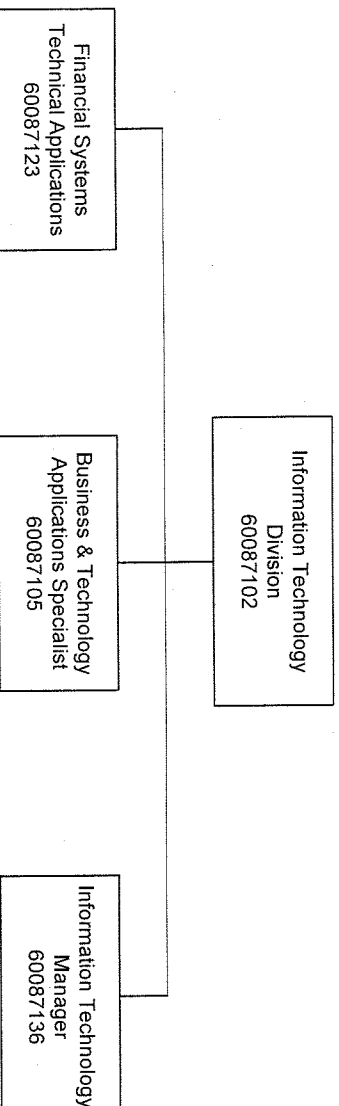


Information Technology
Division Functions



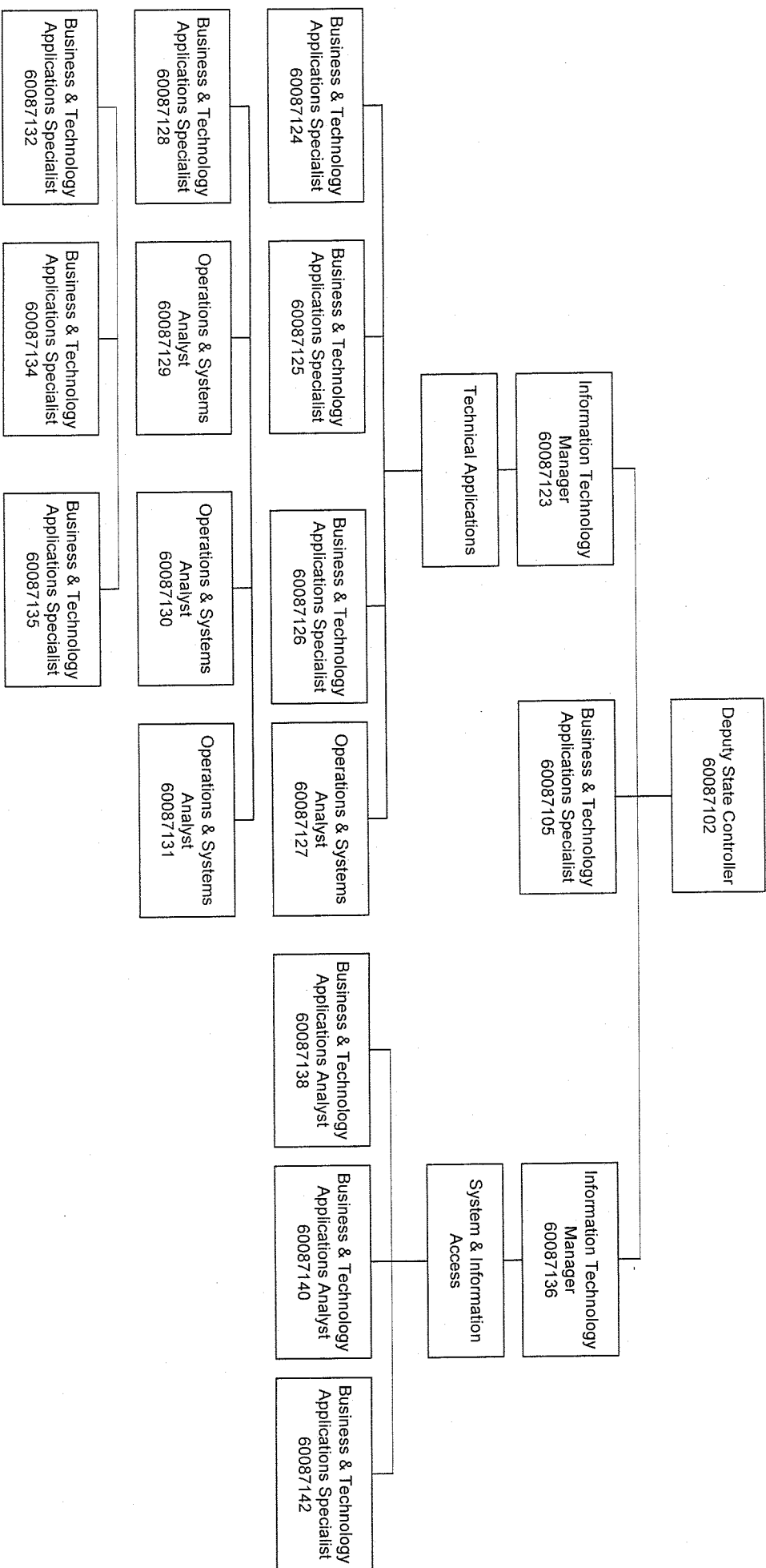


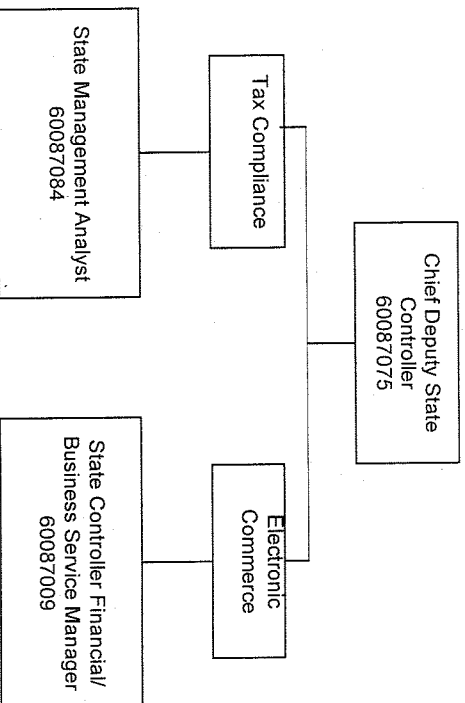
Information Technology
Division



Division Mission Statement:

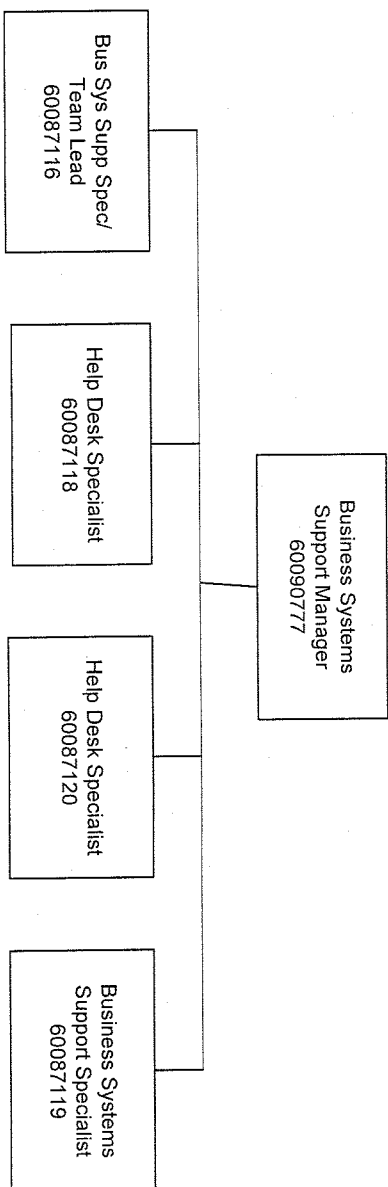
The Financial Systems Division designs, develops, implements and maintains information technology systems and applications that are used by personnel in all state agencies to conduct activities essential for the financial operations of state government. OSC enterprise applications supported by the Division include the North Carolina Accounting System (NCAS), Cash Management Control System, NCAS Decision Support System (DSS), Central Payroll, Statewide Foreign Nationals Compliance, and Enhancing Accountability in Government through Leadership and Education (EAGLE). The Financial Systems Division also designs, develops, implements and maintains information technology systems and applications used internally by agency personnel to conduct daily activities. Technical systems administration and maintenance is provided, as well as client support including training, documentation and systems expertise. The Financial Systems Division conducts business continuity planning and disaster recovery testing for these systems and applications. The Financial Systems Division oversees support of the information technology infrastructure for agency computing needs. Infrastructure components include hardware, software, networks, servers, desktops, peripherals and related security. Client support is provided to OSC staff for the use of OSC computers and computer applications. The Financial Systems Division provides OSC staff with project management services for implementation of OSC program and initiatives. The Division ensures OSC information technology solutions comply with the State Chief Information Officer's (SCIO) policies and procedures and Statewide Technical Architecture. The Division reviews and approves all information technology initiatives by state agencies as required by Senate Bill 991.

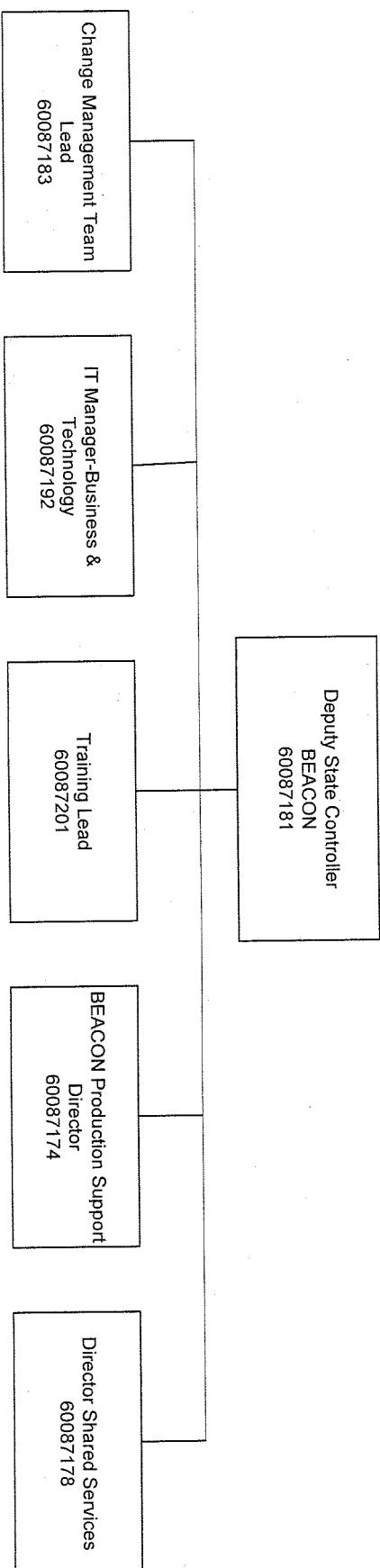


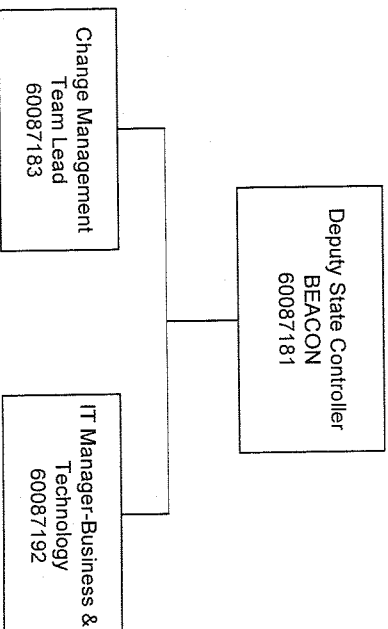


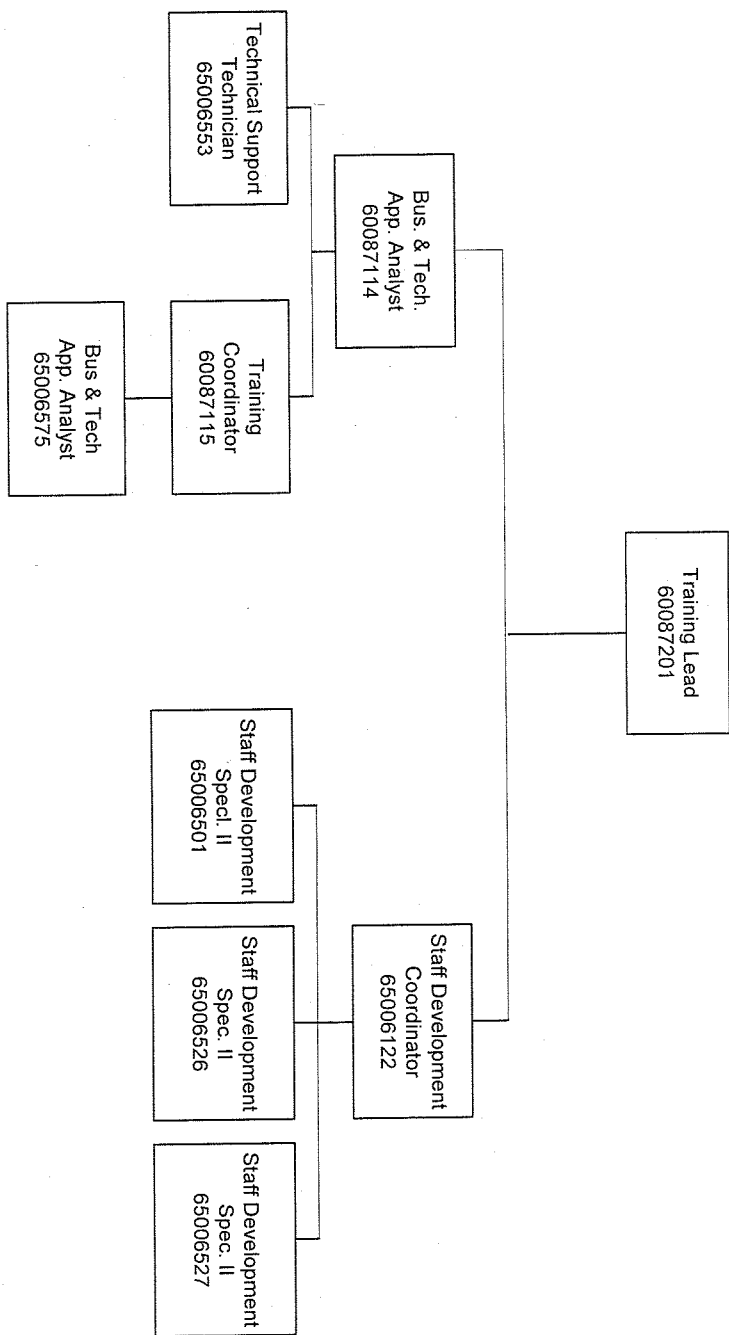


OSC Support Services



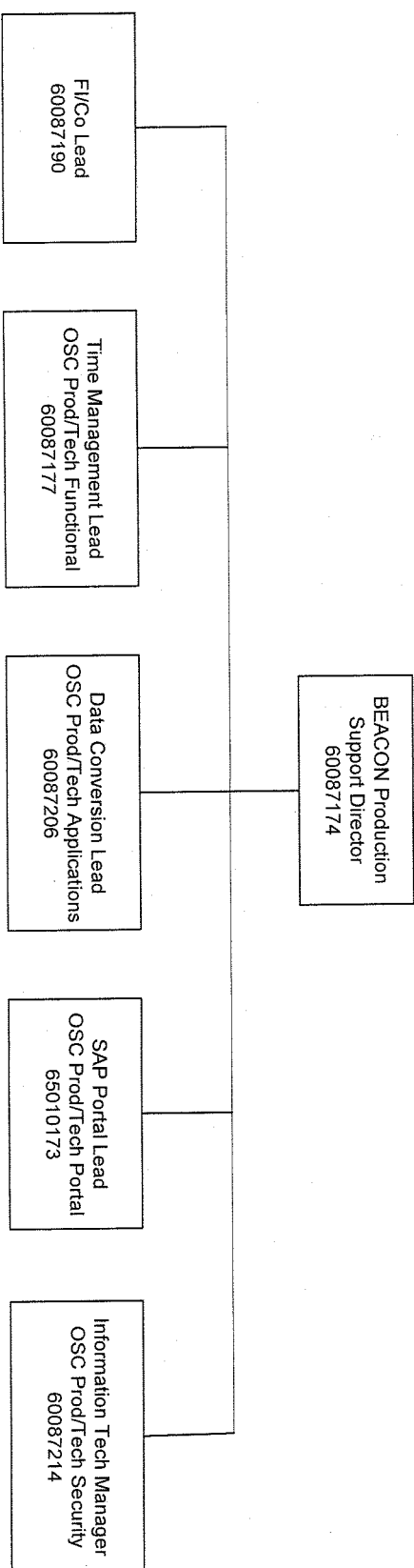


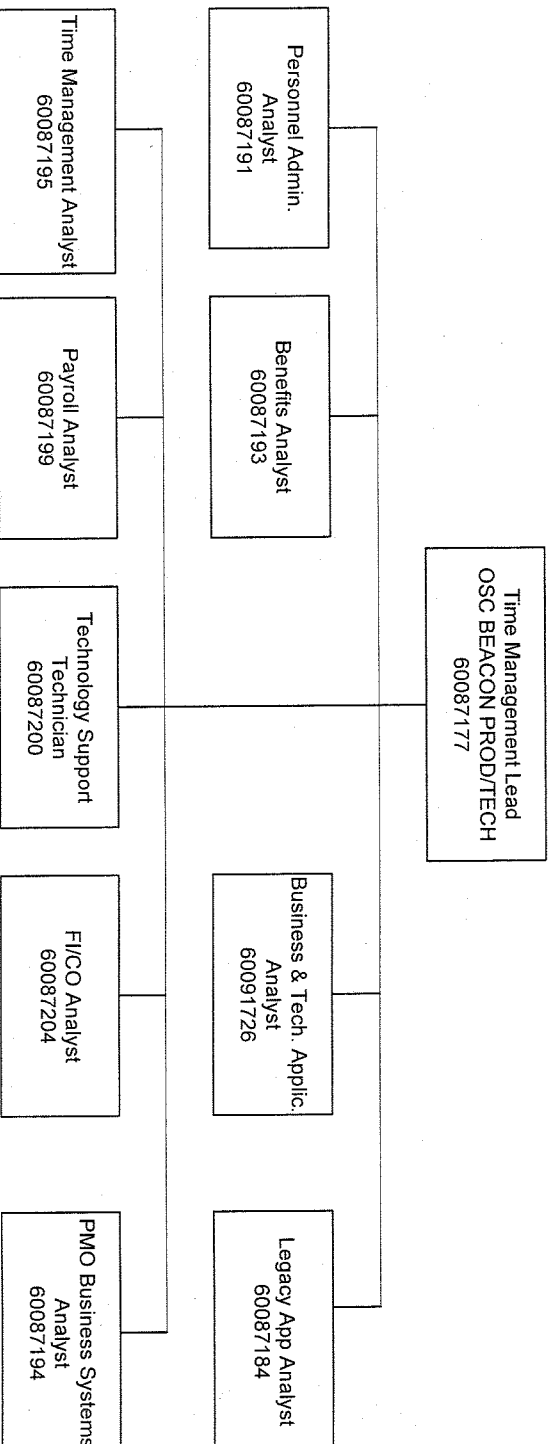


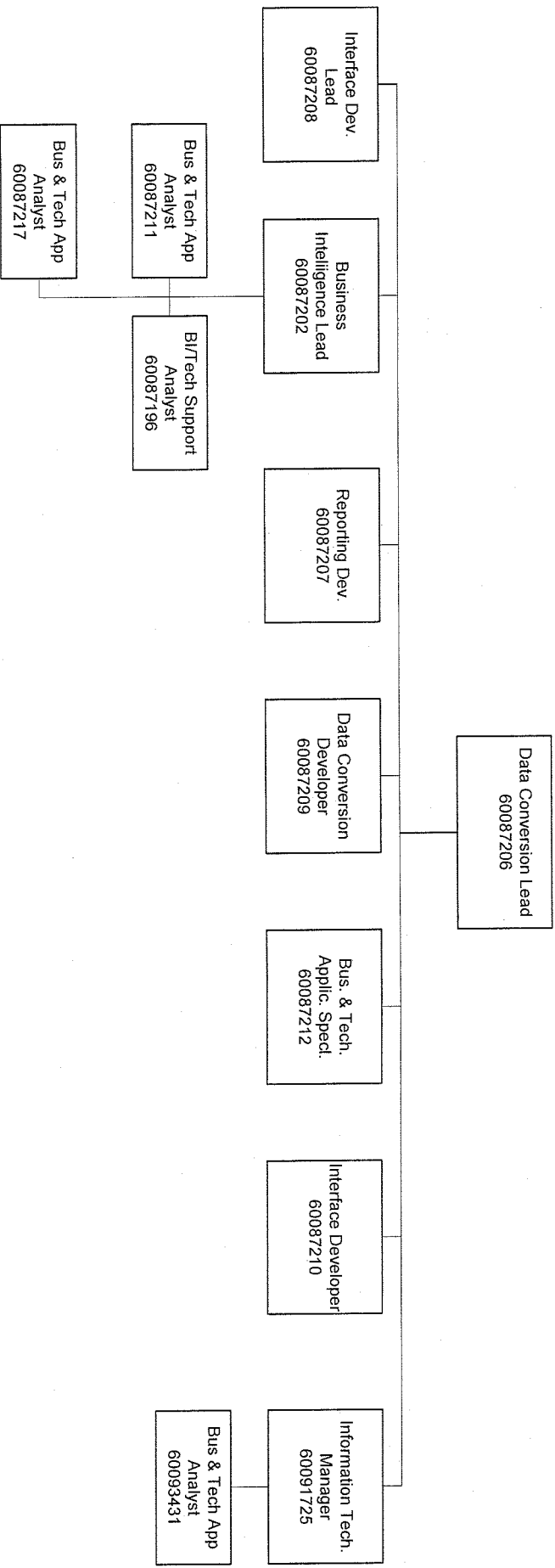


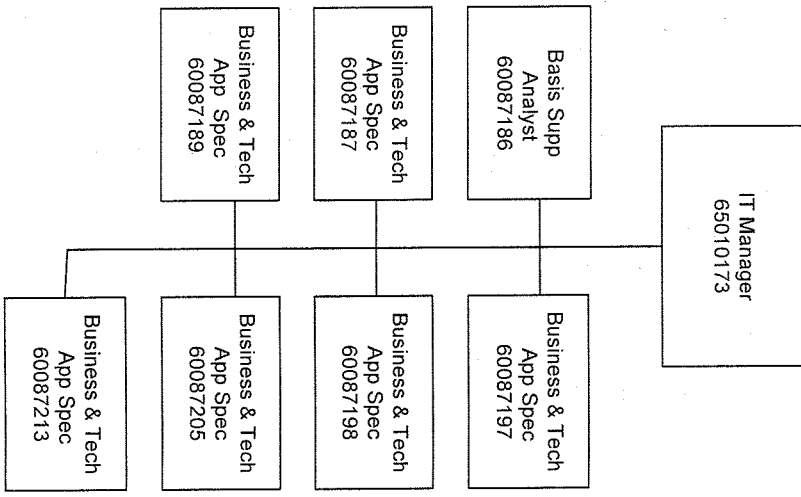


PRODUCTION/TECHNOLOGY





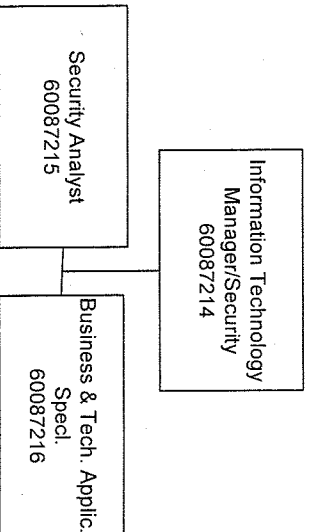


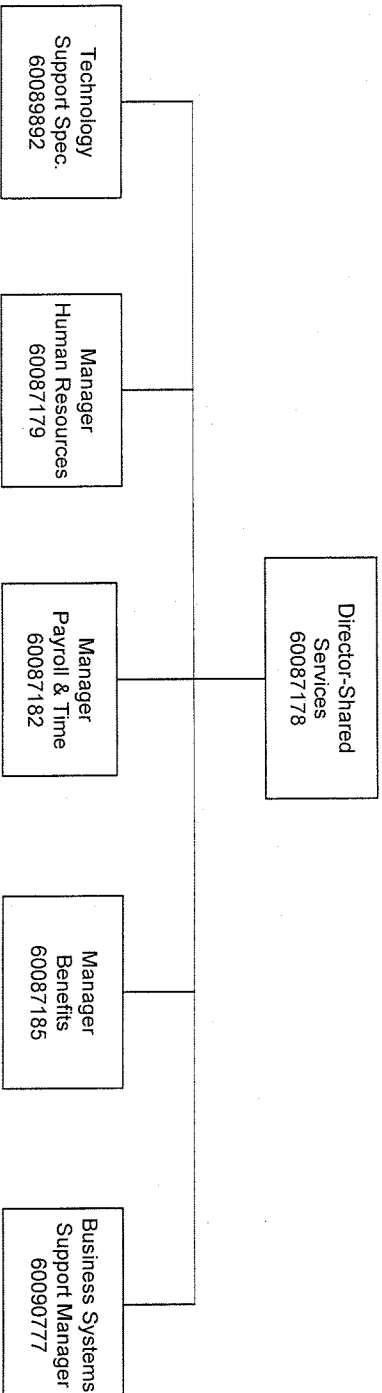


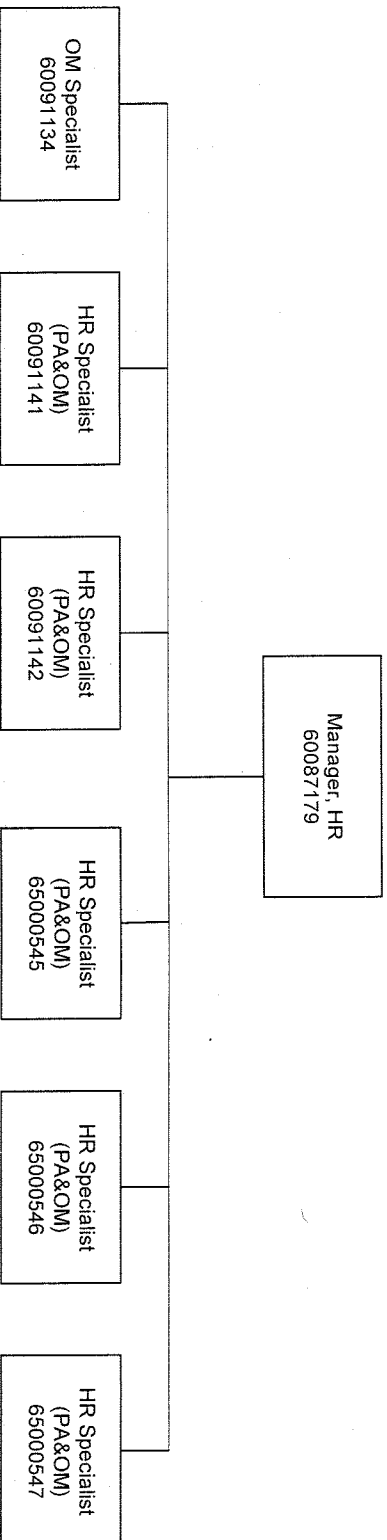
State of North Carolina
Office of the State Controller

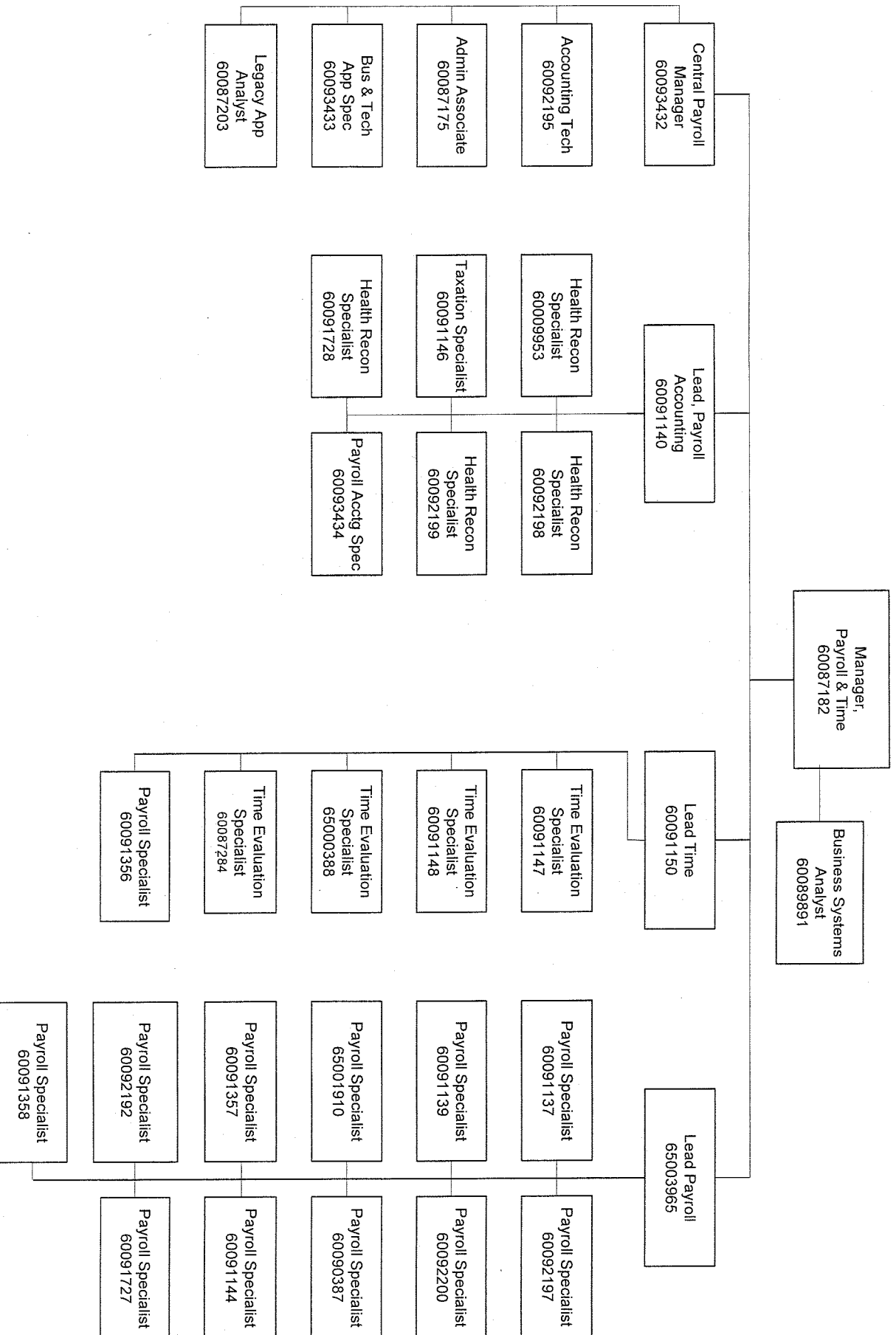


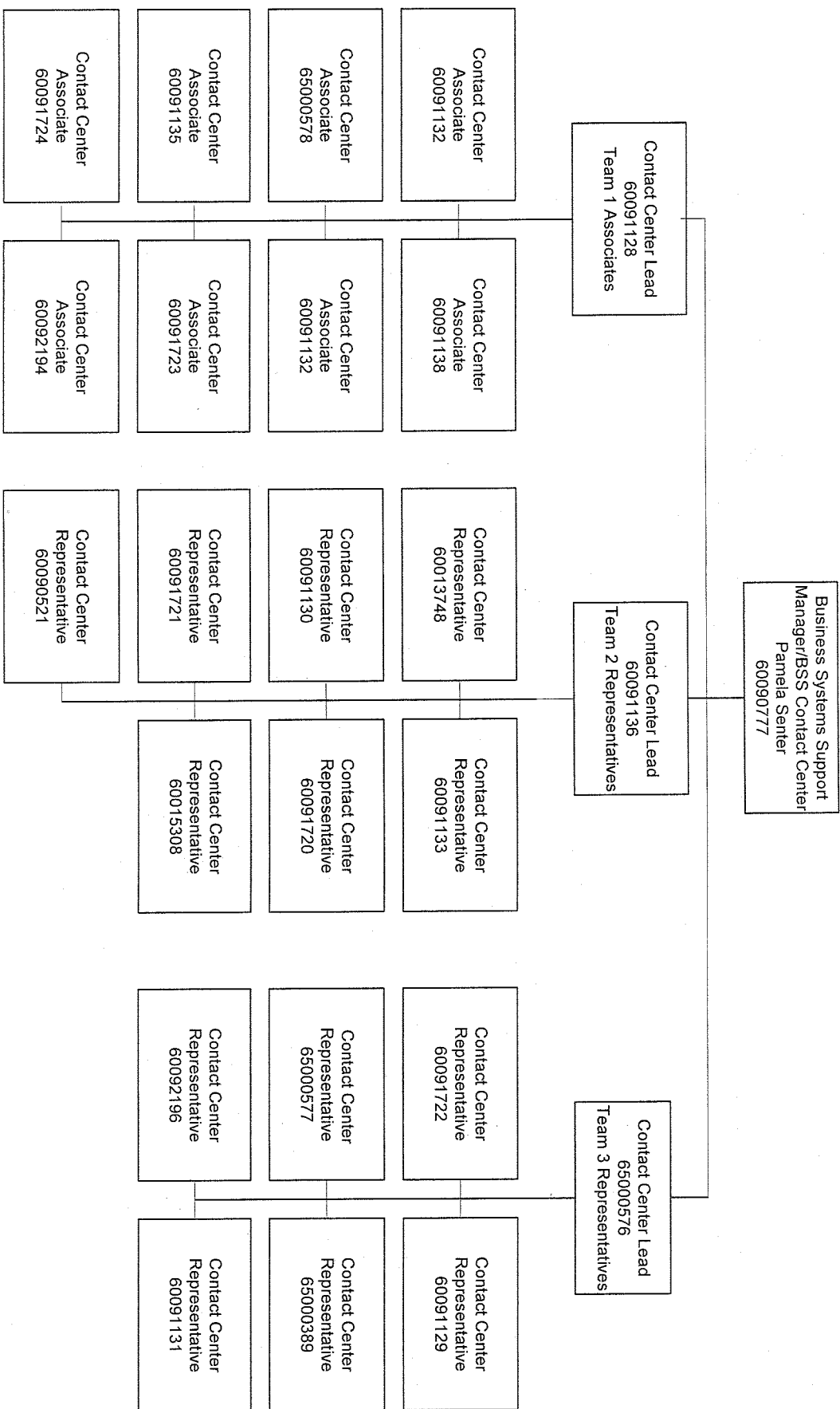
Continue-PRODUCTION/TECHNOLOGY











Office of State Controller

CONTINUATION BUDGET

Fiscal Data

	<u>2009-2010 Actual</u>	<u>2010-2011 Certified</u>	<u>2010-2011 Authorized</u>	<u>2011-2012 Recommended</u>	<u>2012-2013 Recommended</u>
<u>General Fund</u>					
14160					
Total Requirements	\$22,846,839	\$33,431,910	\$33,438,276	\$33,666,136	\$33,666,136
Receipts	\$ 781,140	\$ 2,267,370	\$ 2,273,736	\$ 1,149,059	\$ 1,149,059
General fund Appropriation	\$22,065,699	\$31,164,540	\$31,164,540	\$32,517,077	\$32,517,077
Less: Recommended Adjustments	\$ -	\$ -	\$ -	\$ (000,000)	\$ (000,000)
Adjusted General Fund Appropriation	\$22,065,699	\$31,164,540	\$31,164,540	\$32,517,077	\$32,517,077

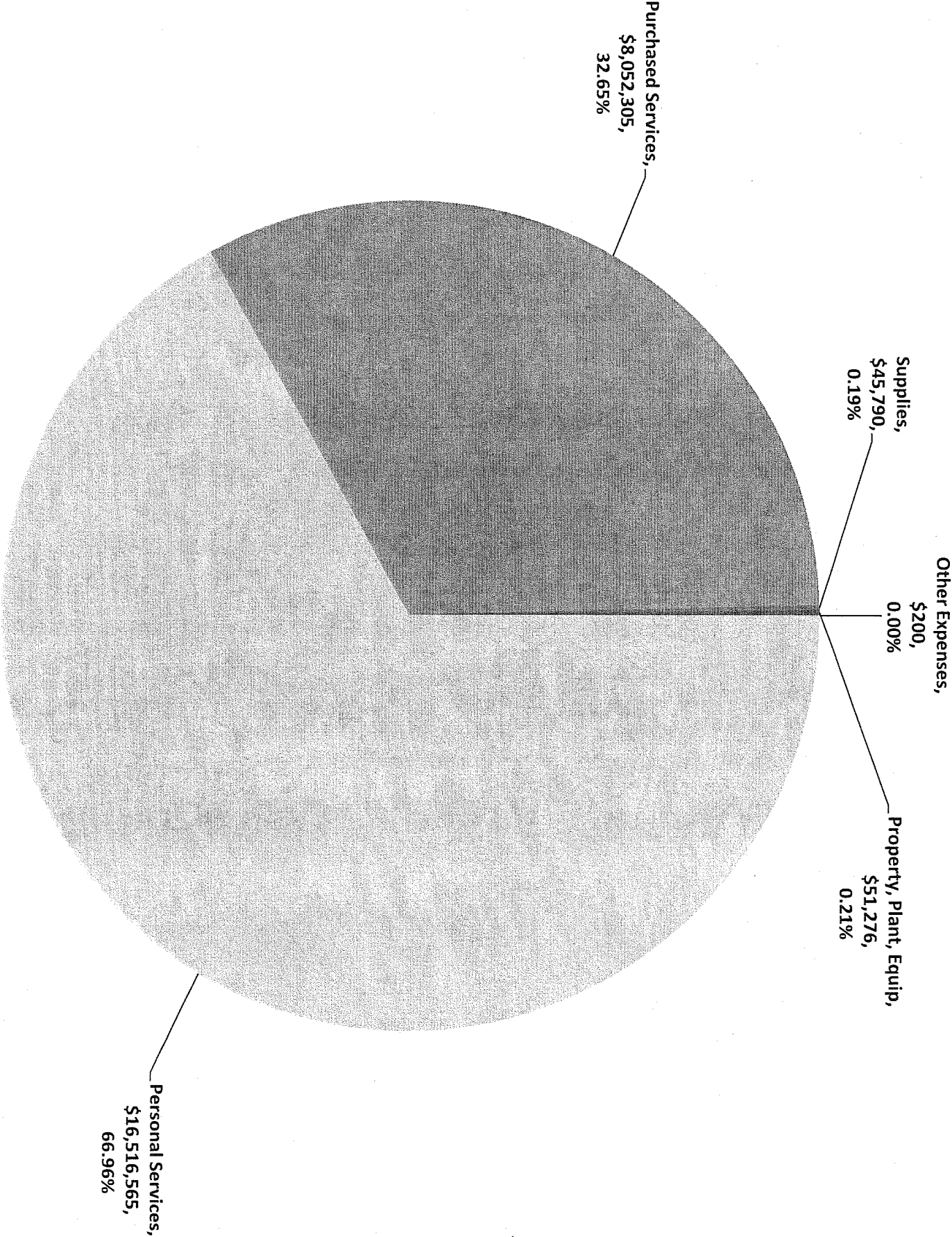
Expenditures by Category – Total Requirements:

Personal Services (531xxx)	- \$ 16,516,565
Purchases service (532xxx)	- \$ 8,052,305
Supplies (533xxx)	- \$ 45,790
Property, Plant and Equipment	- \$ 51,276
Other expenses	-\$ 200
Intra-governmental Transfer (CJLEADS)	-\$ 9,000,000

Total OSC = \$23,170,077

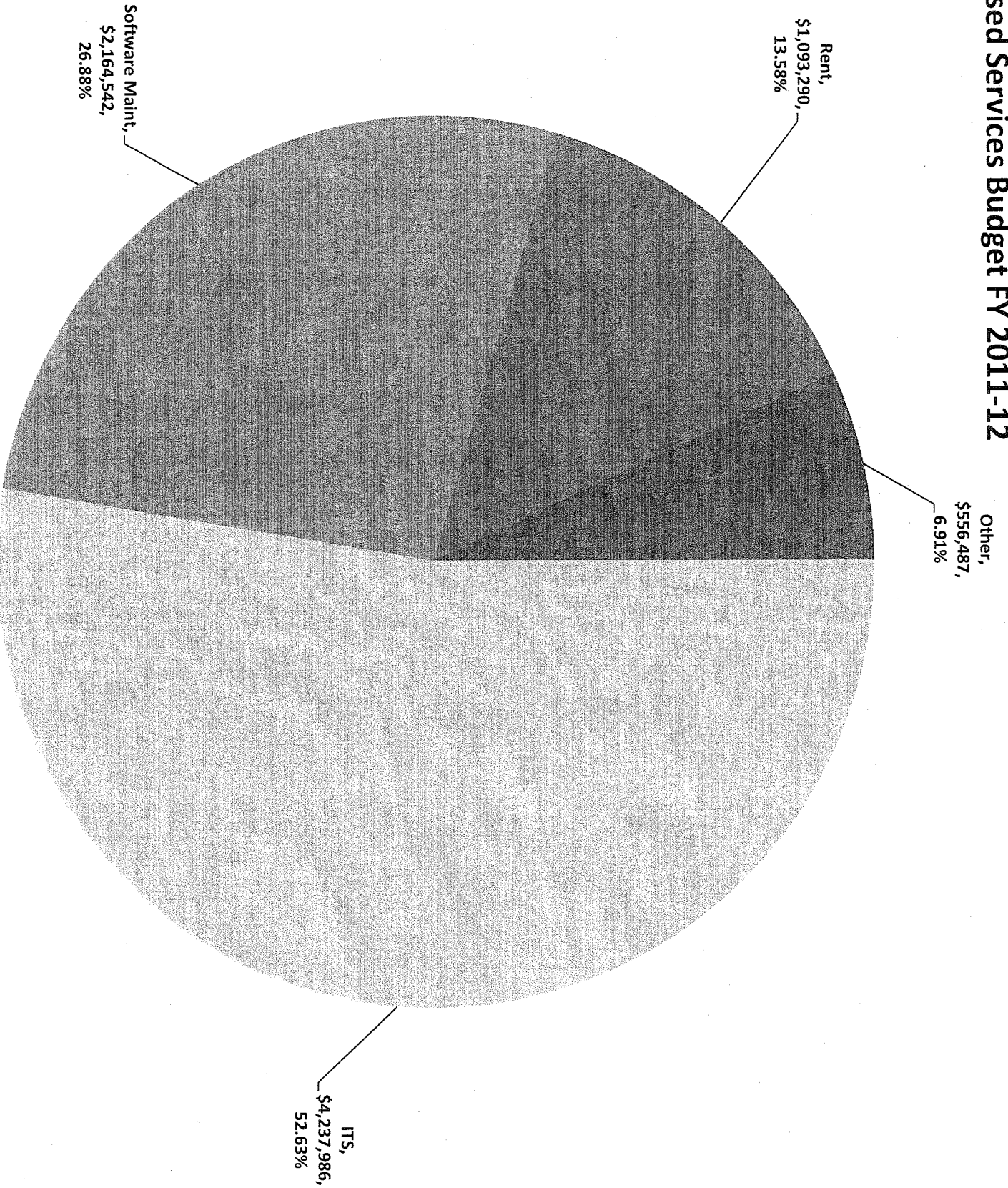
Total CJLEADS = \$9,000,000

OSC FY 2011-12 Continuation Budget*



*Excludes \$9M Transfer for CLeads Data Integration

OSC Purchased Services Budget FY 2011-12



Total Purchased Services Budget = \$8,052,305
Other Includes Postage, Repairs, Travel, Insurance, Non-Software Maint, etc

Summary by Purpose **14160 Office of State Controller - General Fund**

CODE	DESCRIPTION	2009-2010 ACTUAL	2010-2011 CERTIFIED	2010-2011 AUTHORIZED	2011-2012 INCR/DECR	2011-2012 TOTAL	2012-2013 INCR/DECR	2012-2013 TOTAL
REQUIREMENTS								
1000	OFF. OF ST. CONTROLLER	22,846,839	33,431,910	33,438,276	227,860	33,666,136	227,860	33,666,136
	TOTAL REQUIREMENTS	22,846,839	33,431,910	33,438,276	227,860	33,666,136	227,860	33,666,136
ESTIMATED RECEIPTS								
1000	OFF. OF ST. CONTROLLER	781,140	2,267,370	2,273,736	-1,124,677	1,149,059	-1,124,677	1,149,059
	TOTAL RECEIPTS	781,140	2,267,370	2,273,736	-1,124,677	1,149,059	-1,124,677	1,149,059
	NET APPROPRIATION	22,065,699	31,164,540	31,164,540	1,352,537	32,517,077	1,352,537	32,517,077

Summary by Account **14160 Office of State Controller - General Fund**

CODE	DESCRIPTION	2009-2010 ACTUAL	2010-2011 CERTIFIED	2010-2011 AUTHORIZED	2011-2012 INCR/DECR	2011-2012 TOTAL	2012-2013 INCR/DECR	2012-2013 TOTAL
REQUIREMENTS								
53 1111	EPA-REG SALARIES-APPRO	153,319	153,319	153,319	0	153,319	0	153,319
53 1211	SPA-REG SALARIES-APPRO	11,294,429	11,853,375	11,853,375	62,679	11,916,054	62,679	11,916,054
53 1212	SPA-REG SALARIES-RECEIPT	580,829	819,301	819,301	0	819,301	0	819,301
53 1222	SPA TIME LIMITED SAL-REC	259,142	0	0	0	0	0	0
53 1311	REG(N S) TEMP WAGES-APPR	22,147	0	0	0	0	0	0
53 1411	STRAIGHT-TIME OT - APPRO	3,609	0	0	0	0	0	0
53 1421	HOLIDAY PAY - APPRO	160	322	322	0	322	0	322
53 1431	SHIFT 10% PREM PAY-APPRO	4,668	7,864	7,864	0	7,864	0	7,864
53 1461	EPA&SPA-LONGVTY PAY-APPR	206,101	167,673	218,915	0	218,915	0	218,915
53 1462	EPA&SPA-LONGVTY PAY-REC	4,298	4,090	7,164	0	7,164	0	7,164
53 1511	SOCIAL SEC CONTRIB-APPRO	848,652	920,621	920,622	4,796	925,418	4,796	925,418
53 1512	SOCIAL SECURITY CONTRIB-R	61,061	62,676	64,912	0	64,912	0	64,912
53 1521	REG RETIRE CONTRIB-APPRO	1,019,930	1,308,276	1,280,818	13,147	1,293,965	13,147	1,293,965
53 1522	REG RETIRE CONTRIB-RECEI	74,143	79,545	87,635	0	87,635	0	87,635
53 1561	MED INS CONTRIB-APPRO	735,727	952,720	928,935	7,326	936,261	7,326	936,261
53 1562	MED INS CONTRIB-RECEIPTS	83,913	92,469	85,435	0	85,435	0	85,435
53 1572	UNEMP COMP PAY TO ESC	473	0	0	0	0	0	0
53 1575	EMPLOYEE ASSISTANCE PROG	1,141	0	0	0	0	0	0
53 1576	FLEXIBLE SPENDING SAVING	24,684	0	0	0	0	0	0
53 1627	ST DISABILITY PMT-APPRO	931	0	0	0	0	0	0
53 1631	WRKER COMP-MED PAYMENTS	12,949	0	0	0	0	0	0
53 1639	OTHER WORKERS COMP COSTS	1,255	0	0	0	0	0	0
TOTAL PERSONAL SERVICES		15,393,561	16,422,251	16,428,617	87,948	16,516,565	87,948	16,516,565
53 2120	FINANCIAL/AUDIT SERVICES	1,320	-13,500	1,500	0	1,500	0	1,500
53 2140	INFORMATN TECHNOLOGY SVC	24,496	189,179	112,179	0	112,179	0	112,179
53 2143	LAN SUPPORT SERVICES	46,912	166,562	73,562	0	73,562	0	73,562
53 2144	PERSONAL COMPUTER SUPPOR	282,487	225,569	282,569	0	282,569	0	282,569
53 2145	SERVER SUPPORT SERVICES	104,015	0	105,000	0	105,000	0	105,000
53 2146	MAINFRAME SUPPORT SVC	0	39,449	32,449	0	32,449	0	32,449
53 2181	FOOD SERVICE	8,616	12,300	12,300	0	12,300	0	12,300
53 2185	WASTE REM/RECY SER AGREE	713	1,800	1,800	0	1,800	0	1,800
53 2199	MISC CONTRACTUAL SERVICE	4,500	10,890	10,890	0	10,890	0	10,890
53 2300	REPAIR SERVICE	1,112	350	1,250	0	1,250	0	1,250
53 2400	MAINTENANCE AGREEMENTS	1,990,540	2,195,475	2,199,525	0	2,199,525	0	2,199,525
53 2500	RENTALS/LEASES	1,092,276	976,480	1,102,670	0	1,102,670	0	1,102,670

Summary by Account **14160 Office of State Controller - General Fund**

CODE	DESCRIPTION	2009-2010	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013	2012-2013
		ACTUAL	CERTIFIED	AUTHORIZED	INCR/DECR	TOTAL	INCR/DECR	TOTAL
53 2700	TRAVEL/OTHER EMPLOYEE EX	6,634	5,732	8,268	0	8,268	0	8,268
53 2800	COMMUNICATION/DATA PROC	3,716,309	4,060,584	4,078,768	0	4,078,768	0	4,078,768
53 2900	OTHER SERVICES	18,256	32,075	29,575	0	29,575	0	29,575
TOTAL PURCHASED SERVICES		7,298,186	7,902,945	8,052,305	0	8,052,305	0	8,052,305
53 3100	GENERAL ADMIN SUPPLIES	35,791	85,150	45,790	0	45,790	0	45,790
TOTAL SUPPLIES		35,791	85,150	45,790	0	45,790	0	45,790
53 4500	EQUIPMENT	8,781	147,500	37,500	0	37,500	0	37,500
53 4700	INTANGIBLE ASSETS	14,969	13,776	13,776	0	13,776	0	13,776
TOTAL PROPERTY, PLANT & EQUIPMT		23,750	161,276	51,276	0	51,276	0	51,276
53 5600	ASSET & OTHER ADJUSTMENT	19	150	150	0	150	0	150
53 5800	OTHER ADMINISTRATIVE EXP	95,532	50	50	0	50	0	50
TOTAL OTHER EXPENSES & ADJUSTMEN		95,551	200	200	0	200	0	200
53 8114	TRANS-OUT-OSC	0	8,860,088	8,860,088	139,912	9,000,000	139,912	9,000,000
TOTAL INTRAGOVERNMENTAL TRANSACT		0	8,860,088	8,860,088	139,912	9,000,000	139,912	9,000,000
TOTAL REQUIREMENTS		22,846,839	33,431,910	33,438,276	227,860	33,666,136	227,860	33,666,136

ESTIMATED RECEIPTS

43 4320	SURPLUS-EQUIPMENT	150	150	150	0	150	0	150
43 5600	REGISTRATION FEES	26,420	27,530	27,530	0	27,530	0	27,530
43 8114	TRF IN-OSC -24160	50,000	1,536,165	1,542,531	-1,124,677	417,854	-1,124,677	417,854
43 8115	TRF IN-DOT	450,924	461,041	461,041	0	461,041	0	461,041
43 812B	TRF IN-DHHS PUBLIC HEALT	12,325	4,809	4,809	0	4,809	0	4,809
43 8120	TRF IN-DHHS CENTRAL ADMI	35,758	45,559	45,559	0	45,559	0	45,559
43 8128	TRF IN-DHR-DIV VOC REHAB	52,570	50,580	50,580	0	50,580	0	50,580

Summary by Account **14160 Office of State Controller - General Fund**

CODE	DESCRIPTION	2009-2010	2010-2011	2010-2011	2011-2012	2011-2012	2012-2013	2012-2013
		ACTUAL	CERTIFIED	AUTHORIZED	INCR/DECR	TOTAL	INCR/DECR	TOTAL
43 8130 TRF IN-DHHS MENTAL HEALT		51,894	49,729	49,729	0	49,729	0	49,729
43 8141 TRF IN - ITS		53,089	52,362	52,362	0	52,362	0	52,362
43 8144 TRF IN-EMPLOY SEC COMM		40,183	39,445	39,445	0	39,445	0	39,445
43 8151 TRANS TO		7,827	0	0	0	0	0	0
<hr/>								
TOTAL RECEIPTS		781,140	2,267,370	2,273,736	-1,124,677	1,149,059	-1,124,677	1,149,059
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NET APPROPRIATION		22,065,699	31,164,540	31,164,540	1,352,537	32,517,077	1,352,537	32,517,077

24160 OSC - Special

Summary by Purpose

CODE	DESCRIPTION	2009-2010 ACTUAL	2010-2011 CERTIFIED	2010-2011 AUTHORIZED	2011-2012 INCR/DECR	2011-2012 TOTAL	2012-2013 INCR/DECR	2012-2013 TOTAL
REQUIREMENTS								
2000	FLEXIBLE BENEFITS PROG.	2,617,764	2,880,641	4,317,261	0	4,317,261	0	4,317,261
2200	E-COMMERCE INITIATIVES	137,736	239,136	147,283	0	147,283	0	147,283
2400	BUSINESS INFRASTRUCTURE	0	137	137	-137	0	-137	0
2401	SBIP - HR PAYROLL	3,517,968	0	0	0	0	0	0
2403	BEACON-FINANCIALS PLANNI	0	605,000	605,000	-605,000	0	-605,000	0
2404	DATA INTEGRATIO	11,230,298	12,860,088	11,860,088	-2,860,088	9,000,000	-2,860,088	9,000,000
2405	BEACON-LEARNING SOL & ER	7,390,000	3,000,000	0	0	0	0	0
2500	ESCHEATS-STATE AGENCIES	0	442,460	442,460	-442,460	0	-442,460	0
2600	FOREIGN NATIONALS	0	77,080	77,080	-77,080	0	-77,080	0
TOTAL REQUIREMENTS		24,893,766	20,104,542	17,449,309	-3,984,765	13,464,544	-3,984,765	13,464,544
ESTIMATED RECEIPTS								
2000	FLEXIBLE BENEFITS PROG.	6,717,268	0	0	0	0	0	0
2200	E-COMMERCE INITIATIVES	137,736	121,928	30,075	0	30,075	0	30,075
2401	SBIP - HR PAYROLL	50,000	0	0	0	0	0	0
2404	DATA INTEGRATIO	7,390,000	8,860,088	8,860,088	139,912	9,000,000	139,912	9,000,000
2500	ESCHEATS-STATE AGENCIES	152,325	0	0	0	0	0	0
TOTAL RECEIPTS		14,447,329	8,982,016	8,890,163	139,912	9,030,075	139,912	9,030,075
CHANGE IN FUND BALANCE		-10,446,437	-11,122,526	-8,559,146	4,124,677	-4,434,469	4,124,677	-4,434,469

24160 OSC - Special

Summary by Account

CODE	DESCRIPTION	2009-2010 ACTUAL	2010-2011 CERTIFIED	2010-2011 AUTHORIZED	2011-2012 INCR/DECR	2011-2012 TOTAL	2012-2013 INCR/DECR	2012-2013 TOTAL
REQUIREMENTS								
53 1212	SPA-REG SALARIES-RECEIPT	0	1,355,750	1,355,750	584,250	1,940,000	584,250	1,940,000
53 1222	SPA TIME LIMITEDSAL-REC	337,026	187,139	109,862	0	109,862	0	109,862
53 1462	EPASPA-LONGEVITY PAY-RE	4,944	12,205	12,205	0	12,205	0	12,205
53 1512	SOCIAL SEC CONTRIB-RECEI	25,128	117,746	112,425	45,915	158,340	45,915	158,340
53 1522	REG RETIRE CONTRIB-RECEI	29,923	158,716	153,054	61,405	214,459	61,405	214,459
53 1562	MED INS CONTRIB-RECEIPTS	15,528	108,763	105,170	49,886	155,056	49,886	155,056
53 1576	FLEXIBLE SPENDING SAVING	435	0	0	0	0	0	0
TOTAL PERSONAL SERVICES		412,984	1,940,319	1,848,466	741,456	2,589,922	741,456	2,589,922
53 2140	INFORMATN TECHNOLOGY SVC	8,180,402	6,934,805	6,934,805	-601,544	6,333,261	-601,544	6,333,261
53 2143	LAN SUPPORT SERVICES	5,695	4,905	4,905	0	4,905	0	4,905
53 2144	DESKTOP SUPPORT - ITS	0	30,378	30,378	0	30,378	0	30,378
53 2170	ADMIN SVC-TEMP AGENCY SV	146,438	0	0	0	0	0	0
53 2199	MISC CONTRACTUAL SERVICE	906,031	0	0	0	0	0	0
53 2400	MAINTENANCE AGREEMENTS	141,881	0	0	0	0	0	0
53 2500	RENTALS/LEASES	448	0	0	0	0	0	0
53 2700	TRAVEL & OTHER EMPL EXP	957	0	0	0	0	0	0
53 2800	COMMUNICATIONS DP EX	1,570,966	20,954	20,954	0	20,954	0	20,954
53 2900	OTHER SERVICES	2,300	0	0	0	0	0	0
TOTAL PURCHASED SERVICES		10,955,118	6,991,042	6,991,042	-601,544	6,389,498	-601,544	6,389,498
53 3100	GENERAL ADMIN EXP	525	25,363	25,363	0	25,363	0	25,363
TOTAL SUPPLIES		525	25,363	25,363	0	25,363	0	25,363
53 4700	TANGIBLE ASSETS	45,323	142,500	142,500	0	142,500	0	142,500
TOTAL PROPERTY, PLANT & EQUIPMT		45,323	142,500	142,500	0	142,500	0	142,500
53 5800	OTHER ADMIN EXPENSES	4,674	0	0	0	0	0	0
TOTAL OTHER EXPENSES & ADJUSTMEN		4,674	0	0	0	0	0	0
53 7101	RESERVE - BEACON	0	3,000,000	0	0	0	0	0
53 7108	RESERVE - CRIM JUST DATA	0	1,000,000	0	0	0	0	0

24160 OSC - Special

Summary by Account

CODE	DESCRIPTION	2009-2010 ACTUAL	2010-2011 CERTIFIED	2010-2011 AUTHORIZED	2011-2012 INCR/DECR	2011-2012 TOTAL	2012-2013 INCR/DECR	2012-2013 TOTAL
TOTAL RESERVES								
		0	4,000,000	0	0	0	0	0
53 8108 TRANS OUT - NCSU								
		2,480	0	0	0	0	0	0
53 8113 TRANS-OUT-DEPT OF ADMIN								
		2,537,466	2,739,153	4,129,407	0	4,129,407	0	4,129,407
53 8114 TRANS-OUT-OSC-4160								
		7,440,000	1,266,165	1,272,531	-1,124,677	147,854	-1,124,677	147,854
53 8115 TRF OUT - DOA COBRA								
		30,298	0	40,000	0	40,000	0	40,000
53 8141 TRANS-OUT TO ITS								
		2,500,000	3,000,000	3,000,000	-3,000,000	0	-3,000,000	0
53 8160 TRANS-OUT TO OSBM								
		729,883	0	0	0	0	0	0
53 8161 TRANS-OUT TO OSP								
		235,015	0	0	0	0	0	0
TOTAL INTRAGOVERNMENTAL TRANSACT								
		13,475,142	7,005,318	8,441,938	-4,124,677	4,317,261	-4,124,677	4,317,261
TOTAL REQUIREMENTS								
		24,893,766	20,104,542	17,449,309	-3,984,765	13,464,544	-3,984,765	13,464,544
ESTIMATED RECEIPTS								
43 7995 OTHER MISC. REV-GENERAL								
		152,325	0	0	0	0	0	0
43 8114 TRANS-IN-OSC-4160								
		7,527,736	8,982,016	8,890,163	139,912	9,030,075	139,912	9,030,075
43 8141 TRF IN-ITS								
		50,000	0	0	0	0	0	0
53 83FL AGCY REIMB-FLEX FICA SVG								
		6,717,268	0	0	0	0	0	0
TOTAL RECEIPTS								
		14,447,329	8,982,016	8,890,163	139,912	9,030,075	139,912	9,030,075
CHANGE IN FUND BALANCE								
		-10,446,437	-11,122,526	-8,559,146	4,124,677	-4,434,469	4,124,677	-4,434,469

Office of State Controller

Budget Summary

<u>Fund</u>	<u>Division Name</u>	<u>2011-2012 Recommended Appropriation</u>	<u>2012-2013 Recommended Appropriation</u>	<u>Number of* Positions</u>
1000	Administration	\$2,716,979	\$2,716,979	11.75
1000	Statewide Accounting	\$2,777,544	\$2,777,544	29.75
1000	Information Technology	\$4,429,251	\$4,429,251	22.00
1000	HR/Payroll (BEACON)	\$13,017,258	\$13,017,258	106.32
1000	Data Integration	\$131,428	\$131,428	1.00
1000	Data Integration-CJLEADS	\$9,000,000	\$9,000,000	30.50
1000	Risk Mitigation	\$444,617	\$444,617	5.00

*Number of Appropriated Positions

Total Appropriations = \$32,517,077

Total Appropriated Positions = 206.25

(Total Positions regardless of funding source 226.25)

B0104: Vacancy Report

List of Exceptions

No exceptions are defined

NCAS Account	Position	Date Vacant	Cal Mth/Yr	FEB 2011	FEB 2011	FEB 2011	Position FTE	
			Budget Amount	Number of Days Vacant				
53121	60015308	Information Processing Technician	11/22/2010	1,138.74	73	0.0319	Payroll	
531212	60015308	Information Processing Technician	11/22/2010	34,558.46	73	0.9681	Payroll Rec.	
53121	60087149	State Controller Financial Specialist	11/06/2010	51,375.00	89	1.0000	SAD	
53121	60087175	Administrative Support Associate	08/01/2010	50,831.00	186	1.0000	Payroll	
53121	60087180	Business Systems Analyst II	10/30/2010	92,204.00	96	1.0000	Payroll	
53121	60091131	Information Processing Technician	12/01/2010	39,954.00	64	1.0000	Payroll	
53121	60091133	Information Processing Technician	07/31/2010	29,502.00	187	1.0000	Payroll	
53121	60091720	Information Processing Technician	11/01/2010	38,792.00	94	1.0000	Payroll	
53121	60092194	Administrative Support Specialist	12/04/2010	39,400.00	61	1.0000	Payroll	
53121	65009029	Bus. Tech. Appl. Spec. Basis Analyst	09/01/2010	62,500.00	138	1.0000	Payroll	
53121	65009030	Business Systems Analyst Time	09/01/2010	66,667.00	138	1.0000	Payroll	
53121	65008996	Business Systems Analyst Payroll	09/01/2010	60,565.00	138	1.0000	Payroll	
53121	65008979	Staff Development Specialist	09/01/2010	39,825.00	138	1.0000	Payroll	
53121	65008987	Staff Development Specialist	09/01/2010	47,222.00	138	1.0000	Payroll	
		Annualized Salary		654,534.20		13.0000		
		Annualized Salary and Fringe		837,474.61				

OSC Retirement Eligible

30+ Years of Service

	Position	Years of Service	Number of Service Months
Office of the State Controller	60087082 Administrative Assistant	32.6	391.00
OSC FIN SYSTEMS Tech Applications	60087126 Business And Technology Applic Specl	31.1	373.00
OSC Statewide Accounting	60087144 Deputy State Controller	30.3	364.00
OSC STWD ACCT Central Compliance	60087150 Accountant	35.3	423.00
OSC BEACON BEST SHARED SVCS Human Res	60087179 Core Hl Lead	31.5	378.00
OSC Electronic Commerce	60087089 State Controller Financial/Busin Sys Mgr	35.5	426.00

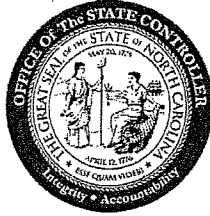
Position Count: 6

OSC Retirement Eligible

27+ Years of Service

	Position	Years of Service	Number of Service Months
Office of the State Controller	60087077 Executive Assistant	27.5	330.00
OSC STWD ACCT NCAS Model/Sup Serv	60087112 State Controller Business Sys Spec	27.4	329.00
OSC STWD ACCT Central Compliance	60087145 State Controller Financial/Busin Sys Mgr	28.0	336.00
OSC STWD ACCT Fin Research/Analysis	60087169 State Controller Financial/Busin Sys Mgr	29.1	349.00
OSC BEST SHARED SERVICES PY & T Payroll	60091144 Administrative Assistant II	29.1	349.00
OSC CLEADS	65010540 Technology Support Analyst	27.5	330.00

Position Count: 6



State of North Carolina Office of the State Controller

DAVID T. MCCOY
STATE CONTROLLER

February 17, 2011

Representative George Cleveland
Legislative Office Building
Room 417A
Raleigh, North Carolina 27609

Dear Representative Cleveland,

At our presentation to the General Government Subcommittee, Senator Jim Davis asked for a list of any rules or regulations that are impeding the Office of the State Controller's efficiency or effectiveness. I discussed the Senator's request with my staff and we have pulled together the information contained in the attached list. As you can see from the list, our ability to optimize our services is inhibited by rules in the Payroll/Benefits area, business continuity and disaster recovery planning area, procurement, Information Technology, Licensing, and Human Resources.

My staff and I would be glad to explain any aspect of the attachment, and we look forward to appearing before your committee next week.

My best regards,

Sincerely,



David McCoy

cc: Members, Appropriations
subcommittee on General Government
FRD, staff

Rules Inhibiting OSC Effectiveness

Area	Rule/Requirement
Payroll/Benefits	<p>Allowing agencies to have agency-specific benefit plans in addition to plans available statewide through NC Flex.</p> <p>Problem: These are after tax plans requiring much different processing from the pre-tax statewide offerings resulting in significant inefficiencies.</p> <p>State Health Plan and NC Flex have different fiscal years.</p> <p>Problem: The differing fiscal years doubles the work of OSC staff and agency Benefits Representatives in communicating plan changes and performing annual enrollments.</p>
Business Continuity and Disaster Recovery Planning	<p>State statute requires annual preparation and submission of Business Continuity and Disaster Recovery documents to the State CIO. Executive orders require annual preparation/update by agencies of their Continuity of Operations and Pandemic Response Plans to the Division of Emergency Management.</p> <p>Problem: Agencies were advised several years ago by the State CIO's Office and Emergency Management staff that statute modifications would be recommended allowing the submission of one document to satisfy both requirements due to their duplicative nature. The fact that this hasn't been done requires agency staff to spend numerous hours annually updating both sets of plans for submission, an exercise adding no value to an important preparedness process.</p>
Procurement	<p>The Division of Purchase and Contract and the Statewide IT Procurement Office operate under a different set of rules.</p> <p>Problem: The varying rules for the separate enterprise procurement offices are very confusing to agency staff who prepare Request for Proposals and negotiate contracts.</p> <p>The Statewide IT Procurement Office has a very restrictive notice to vendors included in its standard RFP template regarding terms and conditions.</p> <p>Problem: The notice, in some cases, will keep a vendor from bidding at all or, in other cases, keep the State from considering proposals that contain alternative terms and conditions that actually may be more acceptable.</p> <p>The Statewide IT Procurement Office has a more stringent Conflict of Interest clause in its standard RFP template than the statute.</p> <p>Problem: The conflict of interest clause requires that the bidding vendor provide information on former state employees on their payrolls regardless of whether the employee has anything to do with the proposal. The statute requires a "no collusion" certification by the bidder which more than satisfies the intent.</p>
Information Technology	<p>Executive Order 18, policy on e-mail archiving and retention, requires the retention of sent and received e-mails for a period of 10 years.</p> <p>Problem: Approximately \$1.8 Million annually is to be spent operating and maintaining the Mimosa Archiving System when the retention for many state government documents and correspondence is three years. In addition, agency</p>

Rules Inhibiting OSC Effectiveness

personnel must now search for e-mails in two separate systems requiring additional time to retrieve desired documents.

State CIO Policy requires that IT contracts of a certain dollar amount go through the PPM (Project Portfolio Management) process. This process was initially meant to track the cost, benefits, timelines, etc. of IT development projects where the resulting application would be part of the enterprise Application Portfolio.

Problem: Considering the original intent, requiring that routine IT contracts go through this process adds no value to the contract but may, in fact, delay the implementation of the contract.

Human Resources

Dual Classification and Pay Systems

Problem: Agency HR staff and hiring managers have to spend numerous hours conforming to dual classification and pay system requirements when most of the time no value is added either to the recruitment or the competency development process. The State should go with either the graded or the career banding system, but not both.

Note: OSC has had to provide extra justification on employee qualifications to OSP on numerous occasions, a circumstance which may be more related to the fact that OSC has not been granted delegated authority in the Human Resources area than to the actual rules and regulations.

Licensing

The N. C. CPA Licensing Board requires, as part of the annual 40 Hour CPE to maintain certification, at least two hours of ethics training.

Problem: Acknowledging that professional ethics is extremely important not only to CPA's but to all state employees and legislators, there is little value added to requiring the annual repeat of the ethics training.

Administration

- Statutory Authority
§ 143B-426.35 – 426.39; § 143-3.1; §143C-1-3; §143C-4-2; §143C-4-3; §143C-6-3; §143C-9-3(b & c); §143B-426.39(7); §143B-426.40H; §143D-6-8; §147-86.10 – 11; §147-86.20 – 27; §163-278.99
- Organization Chart
See Pages 11-15
- Major Responsibilities

Executive Management - Includes State Controller and Deputy State Controller who are responsible for overseeing the statutory duties required by the Office of State Controller. Management provides leadership, strategic planning, and allocation of resources for the agency. The controller is also directly over the agency's human resource department, fiscal management, and public communications.

Human Resource Management – Oversee the recruitment and management of personnel; develop and implement HR strategy; coordinate and execute staff acquisition, organization and position management, compensation management, benefits management, employee development, and performance management; and regulate employee relations, separation management, and health and safety activities.

Fiscal Management – Manage and analyze financial information; account for and forecast the use of department resources; conduct general ledger accounting; maintain accounts payable, collections and accounts receivable, payroll services, cash management, program payments, and contracts and grants management; provide asset and liability management; and execute financial reporting.

Budget and Analysis – Conduct resource planning and allocation activities; develop and execute the budget; and analyze issues impacting the department's budgets and management.

Purchasing – Coordinate and execute the acquisition of equipment, materials, services and supplies for the department.

Public Information / Communication – Exchange information and communication between the department, citizens, and stakeholders; establish and promote media relations; prepare and publish press releases and other publications; update the agency's web site; and coordinate events and conference delivery.

Fixed Assets – Ensure physical protection of the department's personnel, assets, and facilities.

- Position Summary
11.75 FTE (appropriation)
- Vacancy List from BEACON
No Vacancy's in this Division

NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

- Retirement Eligibility:

Position count for employees **within three years** of retirement

1 Employee – Position # 60087077

Position count for employees **with thirty years** of service

1 Employee – Position # 60087082

Office of State Controller -- Administration

CONTINUATION BUDGET

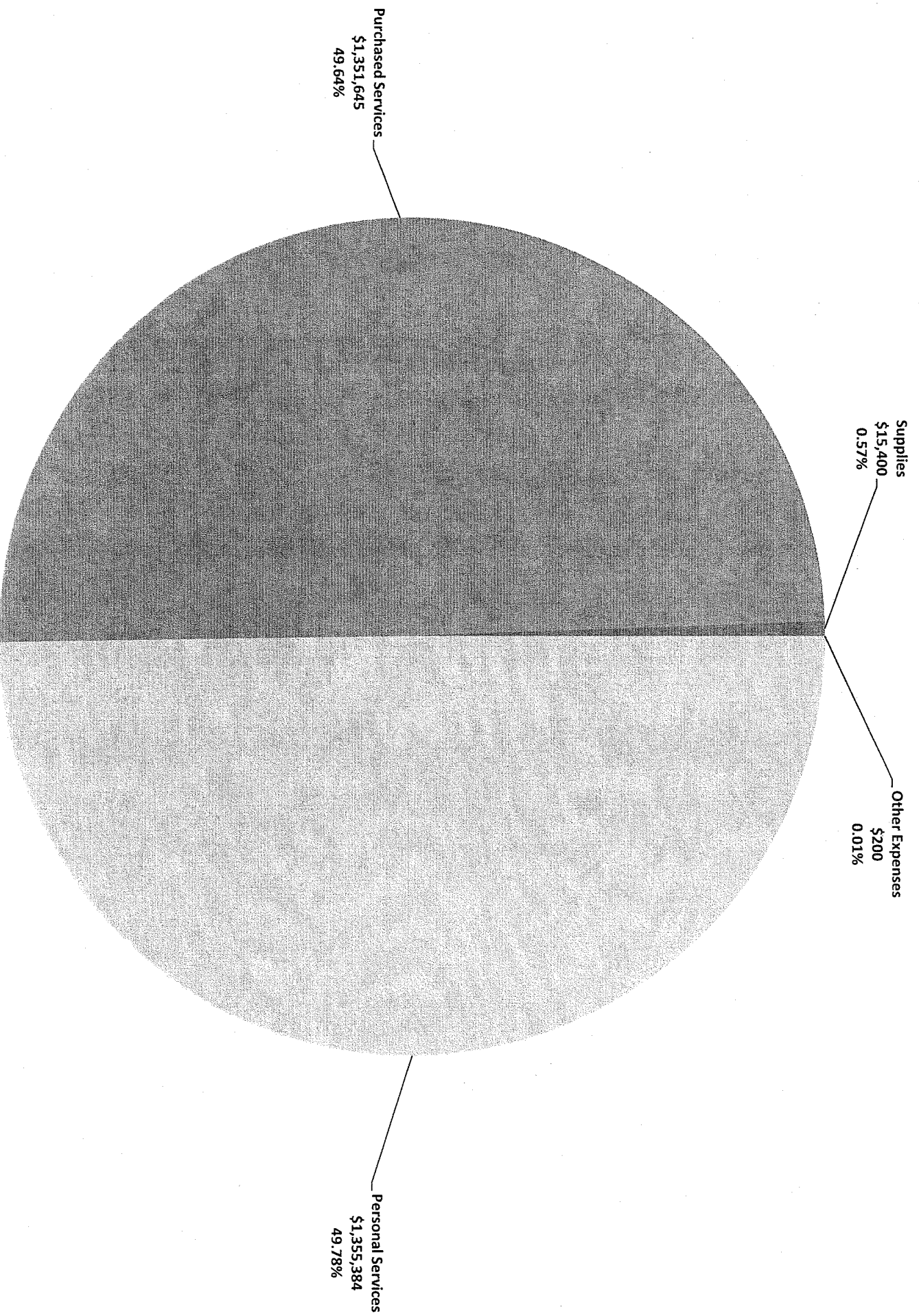
Fiscal Data

	<u>2009-2010 Actual</u>	<u>2010-2011 Certified</u>	<u>2010- 2011 Authorized</u>	<u>2011-2012 Recommended</u>	<u>2012-2013 Recommended</u>
<u>General Fund</u>					
14160					
Total Requirements	\$2,500,672	\$2,722,629	\$2,722,629	\$ 2,722,629	\$2,722,629
Receipts	\$7,977	\$ 5,560	\$ 5,560	\$ 5,560	\$ 5,560
General fund Appropriation	\$2,492,695	\$2,716,979	\$2,716,979	\$2,716,979	\$2,716,979
Less: Recommended Adjustments	\$ -	\$ -	\$ -	\$ (000,000)	\$ (000,000)
Adjusted General Fund Appropriation	\$2,492,695	\$2,716,979	\$2,716,979	\$2,716,979	\$2,716,979

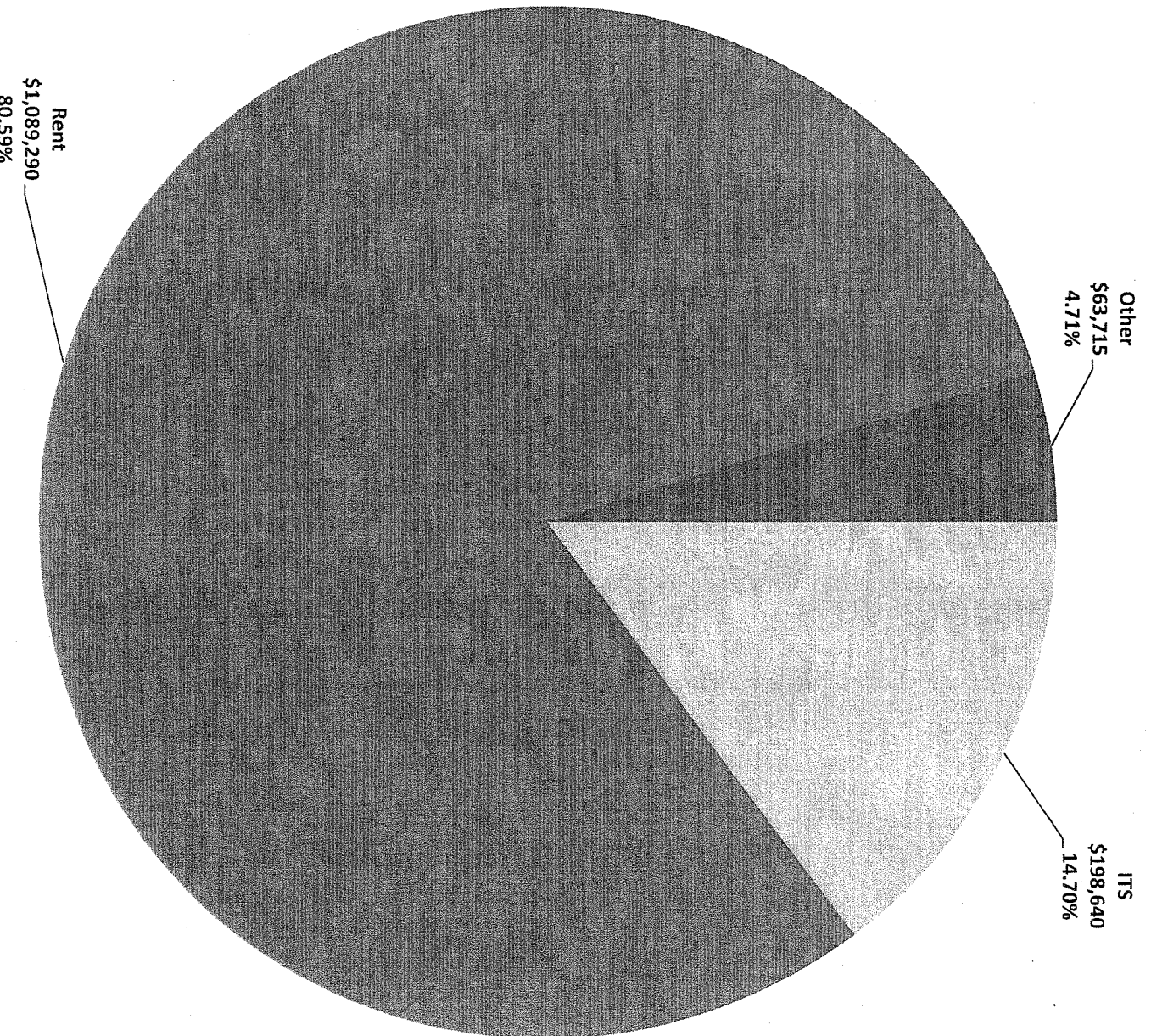
Expenditures by Category – Total Requirements:

Personal Services (531xxx)	- \$1,355,384
Purchases service (532xxx)	- \$1,351,645
Supplies (533xxx)	- \$ 15,400
Other expenses	-\$ 200

OSC Administration FY 2011-12 Budget



OSC Administration Purchased Services FY 2011-12 Budget



Total Purchased Services Budget = \$1,351,645
Other Includes Postage, Repairs, Travel, Insurance, Non-Software Maint, etc

ADMINISTRATION

BUDGET PREPARATION SYSTEM
BUDGET PREPARATION WORKSHEET I

ACCOUNT	DESCRIPTION	2009-2010 ACTUAL	2010-2011 AUTHORIZED	INCR/DECR	2011-2012 TOTAL	INCR/DECR	2012-2013 TOTAL
REQUIREMENTS	(1)	(2)	(3)	(4)	(5)	(6)	(7)
53 1111	EPA-REG SALARIES-APPRO	\$153,319.00	\$153,319.00	\$0.00	\$153,319.00	\$0.00	\$153,319.00
53 1211	SPA-REG SALARIES-APPRO	\$1,101,326.00	\$947,021.00	\$0.00	\$947,021.00	\$0.00	\$947,021.00
53 1311	RBG(N S) TEMP WAGES-APPR	\$22,147.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
53 1411001	STRAIGHT-TIME OT - APPRO	\$3,383.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
53 1461	EPA&SPA-LONGVTY PAY-APPR	\$31,526.00	\$28,830.00	\$0.00	\$28,830.00	\$0.00	\$28,830.00
53 1511	SOCIAL SEC CONTRIB-APPRO	\$91,193.00	\$70,377.00	\$0.00	\$70,377.00	\$0.00	\$70,377.00
53 1521	REG RETIRE CONTRIB-APPRO	\$112,542.00	\$96,686.00	\$0.00	\$96,686.00	\$0.00	\$96,686.00
53 1561	MED INS CONTRIB-APPRO	\$75,784.00	\$59,151.00	\$0.00	\$59,151.00	\$0.00	\$59,151.00
53 1575	EMPLOYEE ASSISTANCE PROG	\$1,414.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
53 1576	FLEXIBLE SPENDING SAVING	\$2,929.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL PERSON AL SERVICES		\$1,595,563.00	\$1,355,384.00	\$0.00	\$1,355,384.00	\$0.00	\$1,355,384.00
53 2140003	INFORMAINT TECHNOLOGY SVC	\$24,395	\$30,982	\$0	\$30,982	\$0	\$30,982
53 2185	WASTE REM/RECY SER AGREE	\$713	\$1,800	\$0	\$1,800	\$0	\$1,800
53 2199	MISC CONTRACTUAL SERVICE	\$0	\$5,890	\$0	\$5,890	\$0	\$5,890
53 2310001	REPAIRS-BUILDINGS	\$440	\$500	\$0	\$500	\$0	\$500
53 2310003	REPAIRS-BUILDINGS	\$180	\$200	\$0	\$200	\$0	\$200
53 2390	REPAIRS-OTHER	\$104	\$100	\$0	\$100	\$0	\$100
53 2430	MAINT AGREEMENT-EQUIP	\$10,581	\$10,500	\$0	\$10,500	\$0	\$10,500
53 2512	RENT/LEASE-BUILDINGS/OFFIC	\$602,000	\$1,089,090	\$0	\$1,089,090	\$0	\$1,089,090

BUDGET PREPARATION SYSTEM
BUDGET PREPARATION WORKSHEET I

ACCOUNT	DESCRIPTION	2009-2010	2010-2011	INCR/DECR	2011-2012	INCR/DECR	2012-2013
	(1)	ACTUAL (2)	AUTHORIZED (3)	(4)	TOTAL (5)	(6)	TOTAL (7)
REQUIREMENTS							
53 2513	RENT/LEASE-OTH FACILITIE	\$160	\$200	\$0	\$200	\$0	\$200
53 2712	TRANS-AIR-OUT STATE, IN U	\$342	\$0	\$0	\$0	\$0	\$0
53 2714	TRANSP-GRND - IN STATE	\$4,800	\$4,284	\$0	\$4,284	\$0	\$4,284
53 2715	TRANS GRND-OUT STA, IN US	\$50	\$0	\$0	\$0	\$0	\$0
53 2717	TRANSP OTHER - IN STATE	\$300	\$0	\$0	\$0	\$0	\$0
53 2721	LODGING - IN STATE	\$271	\$0	\$0	\$0	\$0	\$0
53 2722	LODGING-OUT STATE, IN US	\$636	\$0	\$0	\$0	\$0	\$0
53 2724	MEALS - IN STATE	\$27	\$0	\$0	\$0	\$0	\$0
53 2725	MEALS-OUT OF STATE, IN US	\$79	\$0	\$0	\$0	\$0	\$0
53 2811	TELEPHONE SERVICE	\$41,242	\$41,340	\$0	\$41,340	\$0	\$41,340
53 2812	TELECOMM DATA CHARGE	\$107,511	\$107,575	\$0	\$107,575	\$0	\$107,575
53 2814	CELLULAR PHONE SERVICES	\$12,586	\$12,853	\$0	\$12,853	\$0	\$12,853
53 2840	POSTAGE,FREIGHT & DELIV	\$14	\$0	\$0	\$0	\$0	\$0
53 2840003	POSTAGE,FREIGHT & DELIV	\$19,968	\$39,881	\$0	\$39,881	\$0	\$39,881
53 2850	PRINT, BIND, DUPLICATE	-\$14	\$200	\$0	\$200	\$0	\$200
53 2911	PROPERTY-INSURANCE	\$1,714	\$2,000	\$0	\$2,000	\$0	\$2,000
53 2913	LIABILITY INSURANCE	\$745	\$750	\$0	\$750	\$0	\$750
53 2919	INSURANCE - OTHER	\$268	\$300	\$0	\$300	\$0	\$300
53 2930	REGISTRATION FEES	\$1,154	\$2,900	\$0	\$2,900	\$0	\$2,900
53 2941	EMP EDUCATION ASSIST PRO	\$0	\$300	\$0	\$300	\$0	\$300
TOTAL PURCHA SED SERVICES		\$830,266	\$1,351,645	\$0	\$1,351,645	\$0	\$1,351,645

BUDGET PREPARATION SYSTEM
BUDGET PREPARATION WORKSHEET I

ACCOUNT	DESCRIPTION (1)	2009-2010 ACTUAL (2)	2010-2011 AUTHORIZED (3)	INCR/DECR (4)	2011-2012 TOTAL (5)	INCR/DECR (6)	2012-2013 TOTAL (7)
REQUIREMENTS							
53 3110	GENERAL OFFICE SUPPLIES	\$12,798	\$12,900		\$12,900		\$12,900
53 3120	DATA PROCESSING SUPPLIES	\$1,445	\$0	\$0	\$0	\$0	\$0
53 3150	SECURITY & SAFETY SUPP	\$1,082	\$2,000	\$0	\$2,000	\$0	\$2,000
53 3190	OTHER ADMIN SUPPLIES	\$400	\$500	\$0	\$500	\$0	\$500
	TOTAL SUPPLIES	\$15,725	\$15,400	\$0	\$15,400	\$0	\$15,400
53 4523	EQUIP-SCIENTIFIC/MEDICAL	\$1,495	\$0	\$0	\$0	\$0	\$0
	TOTAL PROPER TY, PLANT & EQUIPMT	\$1,495	\$0	\$0	\$0	\$0	\$0
53 5660	SVC CHRQ-SALE SURPLUS	\$19	\$150	\$0	\$150	\$0	\$150
53 5830	MEMBERSHIP DUES&SUBSCRIP	\$56,886	\$0	\$0	\$0	\$0	\$0
53 5840	SERVICE & OTHER AWARDS	\$718	\$0	\$0	\$0	\$0	\$0
53 5890	OTHER ADMIN EXPENSE	\$0	\$50	\$0	\$50	\$0	\$50
	TOTAL OTHER EXPENSES & ADJUSTMENTS	\$57,623	\$200	\$0	\$200	\$0	\$200
	TOTAL REQUIR EMENTS	\$2,500,672	\$2,722,629	\$0	\$2,722,629	\$0	\$2,722,629
ESTIMATED RE CEIPTS							
43 4320003	SURPLUS-EQUIPMENT	\$150	\$150	\$0	\$150	\$0	\$150
43 8114	TRF IN-OSC -24160	\$0	\$5,500	\$0	\$5,500	\$0	\$5,500
43 8151	TRANS TO	\$7,827	\$0	\$0	\$0	\$0	\$0

BUDGET PREPARATION SYSTEM
BUDGET PREPARATION WORKSHEET I

ACCOUNT	DESCRIPTION (1)	2009-2010	2010-2011	INCR/DECR (4)	2011-2012	INCR/DECR (6)	2012-2013
		ACTUAL (2)	AUTHORIZED (3)		TOTAL (5)		TOTAL (7)
REQUIREMENTS							
TOTAL RECEIPTS		\$7,977	\$5,650	\$0	\$5,650	\$0	\$5,650
<hr/>							
NET APPROPRIATION		\$2,492,695	\$2,716,979	\$0	\$2,716,979	\$0	\$2,716,979
<hr/>							

Statewide Accounting

- Statutory Authority:
§ 426.39; § 143-3.1; §143C-1-3; §143C-4-2; §143C-4-3; §143C-6-3; §143C-9-3(b & c); §143B-426.39(7); §143B-426.40H; §147-86.10 – 11; §147-86.20 – 27; §163-278.99
- Organization Chart
See Pages 18-20; 24 (Tax Compliance); 25 (Accounting Support Desk)
- Major Responsibilities:

This division promotes fiscal responsibility for the various state agencies and institutions.
The division:

- Provides accounting, financial reporting and internal controls guidance.
- Ensures that generally accepted accounting principles (GAAP) are properly interpreted and implemented.
- Provides accounting system support, research and planning for new standards, policies, general statutes and federal requirements.
- Participates in governmental accounting standards and federal guidelines development.
- Issues statewide accounting policy and procedures to establish and maintain continuous operation of the State's accounting system.
- Prepares and publishes the following Reports for the State of North Carolina:
 - Comprehensive Annual Financial Report (CAFR)
 - The Financial Highlights popular report
 - The Monthly General Fund Budgetary Basis Report
 - The Statewide Accounts Receivable Report
 - The Schedule of Expenditures of Federal Awards

This division also administers the following programs:

Statewide Cash Management Plan:

- Establishes cash management policies and procedures
- Monitors agency compliance with policies to ensure idle and non productive cash balances are minimized
- Provides guidance to state entities
- Reports accurate cash balances
- Forecasts and analyzes trends in cash balances
- Manages State compliance with federal guidelines to ensure efficient exchange of funds between the federal government and the State

State Cash Management Control System (CMCS) utilized by the Various State Agencies and Institution:

- Provides accurate record of appropriation, allotments, expenditures and revenues of each state entity handling state funds

NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

- Operates the State's disbursing system
- Executes and monitors the disbursing authority delegated to agencies and institutions
- Manages the availability of bond and special indebtedness proceeds for disbursement
- Prioritizes, monitors and manages statewide cash balances

Statewide Accounts Receivable Program:

- Issues policies and procedures for the management, collection and write off of accounts receivable by State agencies
- Monitors the State's accounts receivable collection efforts
- Coordinates information, systems, and procedures for State agencies.

Statewide Electronic Commerce Program:

- Coordinates the daily operations of the electronic transfer of funds, debit/credit card processing
- Coordinates the North Carolina Accounting System (NCAS) electronic payment functions.
- Monitors agency compliance with statewide electronic commerce policies and procedures and the Payment Card Industry (PCI) standards for merchant card processing.
- Provides for efficient processes and compliance with industry practice

Accounting and Budgetary Functions for:

- Funds that are held by the State and not attributable to the specific operations of an agency
- Statewide Employee Benefit Programs
 - NC Flexible Benefits Program
 - NC Worker's Compensation Fund
- Provides accounting support for five occupational licensing boards

Bond Due Diligence Activity:

- Shares responsibility with the Department of State Treasurer (DST) to promote full disclosure under SEC guidelines
- Participates in bond related meetings with the Department of State Treasurer
- Communicates accounting and reporting issues that may be important to users of the State's financial information.

Continuing Professional Education for the State's accounting and auditing professionals:

- Sponsors about 26 hours of statewide CPE classes annually
- Average in excess of 275 state fiscal personnel per class
- Conduct about 14 hours of internal CPE classes.
- Promote fiscal awareness and understanding related to accounting and financial reporting issues.

NORTH CAROLINA OFFICE OF THE STATE CONTROLLER

Single Audit Report and Findings:

- Liaison between the state agencies and the federal government on the status of audit findings reported in the Single Audit Report
- Provides the federal agencies with appropriate information in order to resolve outstanding issues
- Coordinates the final determination of findings with the Office of the State Auditor and the state agency.
- Coordinate the Schedule of Expenditures of Federal Awards with the Office of the State Auditor for publication in the Single Audit Report

- Position Information:

29.75 Appropriation FTE and 1.25 Receipt supported FTE (Total 31 FTE)

- Vacancy List from BEACON

1 Vacancy for this Division – Position #60087149

- Retirement Eligibility:

Position count for employees **within three years** of retirement

3 Positions -- # 60087112, # 60087145, # 60087169

Position count for employees **with thirty years** of service

2 Positions --- # 60087144, # 60087150

Statewide Accounting Division:

- Provides quality financial information for the State which includes the GAAP-based financial statements and related note disclosures that are required by the bond raters and investors in State debt.
- North Carolina is one of the few states in the nation with both a AAA rating from all three bond rating houses **and** the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting has been received by this division for the past 16 consecutive years (1994-2009).
- The 2010 Comprehensive Annual Financial Report (CAFR) has been published and we are confident it meets the same level of excellence.
- The CAFR must be prepared annually in compliance with the 58 governmental accounting standards.
- The CAFR is audited by the State Auditor and has received an unqualified, or clean, audit opinion since 1994.
- Provide accounting and system assistance to approximately 136 entities.
- Provide Cash Management assistance to approximately 1000 users.
- Participate with DOR in the Vendor Attachment program; since September 2010 have collected \$1.2 million.
- Provide E-commerce assistance
 - 33 EFT participants
 - 99 merchant card contract participants
- NCAS classes offered –14- taught multiple times yearly
- DSS class-1-taught multiple times yearly
- CMCS class-1-taught multiple times yearly
- Provide accounting support and controls for:

General Fund:

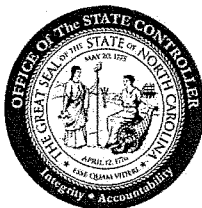
Expressed in Billions

	FY2009	FY2010	Year-To-Date January 2011
Total Tax & Non-Tax Revenues	\$ 19.101	\$ 18.657	\$ 11.125
Total Appropriation Expenditures	\$ 19.653	\$ 18.515	\$ 10.372

Cash Management Activity:

Expressed in Billions

Budget Codes	FY 2010 Receipts	FY 2010 Expenditures	FY 2011(January) Receipts	FY 2011(January) Expenditures
0 - Institutional Trust Funds	\$ 9.369	\$ 8.860	\$ 6.627	\$ 6.309
1 - General Fund	38.197	38.054	24.593	23.804
2 - Special Revenue	13.822	13.461	8.349	8.591
3 - Federal Funds	12.987	13.231	8.036	8.041
4 - Capital Improvements	0.966	1.255	0.761	0.832
5 - Enterprise Funds	1.636	1.642	0.742	0.718
6 - Trust and Agency Funds	17.092	17.055	11.804	11.497
7 - Internal Service Funds	0.763	0.681	0.415	0.454
8 - Highway Funds	\$ 4.730	\$ 4.764	\$ 3.277	\$ 3.324



State of North Carolina

Office of the State Controller

DAVID T. MCCOY
STATE CONTROLLER

Release: IMMEDIATE
Contact: Sherri Johnson (919.707.0753)

Date: February 22, 2011

STATE CONTROLLER DAVID MCCOY BEGINS RELEASE OF WEEKLY GENERAL FUND CASH WATCH NUMBERS

RALEIGH -- State Controller David McCoy today released OSC's first weekly update on the State's General Fund cash position. The "Cash Watch" will be updated on the OSC website at www.osc.nc.gov. (Note: The Cash Watch for the week ending Feb. 18 is currently posted.)

"I believe it is extremely important for North Carolina citizens to know about the State's finances," said McCoy. "This weekly update, along with our General Fund monthly reports and year-end comprehensive financial report, is one more way for us to increase fiscal transparency and provide citizens with information about their money."

McCoy said with all of the discussion about the State's finances, citizens now more than ever should have a way to find out how much money the State has on hand, and how much is being spent.

The Cash Watch will be placed prominently on the OSC website as follows:

Beginning Cash, Monday, February 14	\$1,330,485,273.93
<u>Add Receipts:</u>	
Tax and Non-Tax Receipts	337,961,342.31
Other Receipts	473,629,015.76
<u>Less Disbursements:</u>	
Payroll	47,465,184.91
State Aid	87,609,081.38
Medicaid/Other Provider Payments	206,117,204.06
Tax Refunds	133,283,379.27
Debt Service	—
General Operating	312,259,612.57
Ending Cash, Friday, February 18	<u>\$1,355,341,169.81</u>
<u>Less Reserved Cash:</u>	
Due to Local Governments -	
Sales and Use Tax Payable	231,207,747.02
Tax Refunds Payable	—
Other Tax Liabilities	36,076,995.45
Savings Reserve	150,000,000.00
Other Reserves	<u>47,435,302.54</u>
Unreserved Cash Balance,	
Friday, February 18	<u>\$890,621,124.80</u>

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The above chart will include a link to a glossary of terms:

Glossary:

Beginning cash: General fund cash and investments on deposit with the State Treasurer.

Receipts: Deposit of funds by agency

Tax and Nontax receipts – Revenues generated from taxes levied in accordance with general statutes. Non tax revenues are specific funds identified to support general fund appropriations such as General Court of Justice Fees and Earnings on State Treasurer's Investments.

Disbursements: Withdrawal of funds by agency

Payroll - Expenditures incurred for services rendered by permanent and temporary employees and the related fringe benefits including Local Educational Authorities, Community College System, UNC System, State Agencies

State Aid: Allocations or distributions of funds to direct recipients, providers or other agencies for some designated program, assistance or special project.

Medicaid/Other Provider Payments: payments to pharmacies, physicians, hospitals, nursing homes etc. that provide services for Medicaid programs.

Tax Refunds: disbursements due to overpayment of tax revenue to the State

Debt Service – payments related to debt management

General Operating – expenditures for the operations of state agencies, universities, and community college system

Reserved cash: Designates the portion of cash which has been set aside by the legislature for a specific purpose and is generally unavailable to finance appropriation expenditures.

Due to Local Governments – Sales and use Tax Payable: Estimate of monthly distribution to the local government units based upon daily sales tax receipts. *General Statute 105-472, 105-486, 105-501, 105-510, 105-520, 105-538*

Tax Refunds Payable: Estimate of tax refunds available for disbursement 143B-426.39

Other Tax Liabilities

Reserve for Beverage Tax Distributions *General Statute 105-113.82*

Reserve for Solid Waste Disposal Tax Distributions *General Statute 105-187.63*

Reserve for Scrap Tire Tax Distributions *General Statute 105-187.19*

Reserve for White Goods Tax Distributions *General Statute 105-187.24*

Savings Reserve: *General Statute 143C-4-2* (Otherwise known as the Rainy Day Fund)

Other Reserves:

Reserve for Repairs and Renovations - *General Statute 143C-4-3*

Reserve for Job Development Incentive Grants – *General Statute 143-15.3 E*

Reserve for Disaster Relief - *Session Law 2005-1 Senate Bill 7*

Unreserved cash: Cash available to finance appropriation expenditures

The State Controller is North Carolina's chief fiscal officer. The Office of the State Controller serves as an independent resource to ensure the financial integrity of the State by providing accounting, disbursing, payroll, internal control and financial reporting systems that serve state agencies, employees and the public and maximizing financial return through its statewide cash management plan. The OSC issues numerous financial reports including: Financial Highlights, General Fund Monthly Financial Report, IT Expenditures Report, Statewide Accounts Receivable Report, the State's Comprehensive Annual Financial Report (CAFR) as well as the short, easy-to-read version of the CAFR known as the "popular" report.